

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE UNITED NATIONS DEVELOPMENT PROGRAMME
AND
WOODSIDE MAURITANIA PTY LTD
(as operator of the Deep Water Blocks 4 and 5 –
Offshore Mauritania - Joint Venture)**

This Memorandum of Understanding ("MOU") is entered into by the United Nations Development Programme, through the Global Environment Facility Small Grants Programme (GEF/SGP) of UNDP, BP 620, Nouakchott, Mauritania, ("UNDP"), a subsidiary organ of the United Nations, an intergovernmental organization established by its Member States with its headquarters in New York, NY (USA), and Woodside Mauritania Pty Ltd (hereinafter "WMPL"), as operator of the Deep Water Blocks 4 and 5 - Offshore Mauritania - Joint Venture (hereinafter "PSCB JV"), headquartered in Perth, Western Australia and incorporated under the law of Australia. UNDP and WMPL are hereinafter jointly referred to as the "Parties".

WHEREAS, UNDP, represented by Mauritania Country Office, is interested in enhancing its development activities in Mauritania through, inter alia, partnering with the private sector;

WHEREAS, one of the major focuses of the UNDP through its administration of the GEF/SGP in Mauritania, is the protection and preservation of the environment;

WHEREAS, the PSC B JV Participants ("PSCB JVPs") have an agreed plan to contribute to social responsibility projects in Mauritania;

WHEREAS, the Parties have recognised that there may be benefits to both of their programmes - the UNDP's GEF/SGP and the PSCB JVPs Social Responsibility Plan respectively - in the creation of synergies by working together and with national development partners (including Non-Government Organisations (NGOs) and Community-Based Organisations (CBOs));

WHEREAS, both the PSCB JVPs and the UNDP wish to capitalise on the field experience and presence of the GEF/SGP in Mauritania to be able to take joint action with respect to improving the environment and reducing poverty in Mauritania;

WHEREAS, the Parties agree to collaborate, initially for 1 year, in an environmental protection and poverty reduction collaboration (the **Pilot Programme**) by way of rigorous management, coordination and consultation system aimed at identifying and supporting community-based poverty reduction proposals;

NOW, THEREFORE, the Parties agree to cooperate as follows:

**Article I
Purpose**

The purpose of this MOU is to provide a framework of cooperation and facilitate collaboration between the Parties, on a non-exclusive basis, in areas of mutual interest and defines the conditions of implementation of the Pilot Programme.

**Article II
Areas of Cooperation**

- 2.1 According to its terms of reference, the UNDP's role is to ensure the suitability and synergy of the projects submitted by Mauritanian national NGOs. The UNDP shall lead the Pilot Programme and work with Mauritanian institutions in implementing the Pilot Programme.
- 2.2 The existing SGP/GEF Steering Committee (**Steering Committee**) will be responsible for the strategic direction of the Pilot Programme. It will take part in the identification, analysis and selection of projects relating to poverty reduction in Mauritania including alternative income generation initiatives, to be funded by the Pilot Programme, in conjunction with the UNDP's environmental focused projects of the GEF/SGP, and helps to identify and develop the projects and annual work plans. Project proposals shall be assessed against objective criteria to ensure their relevance and NGOs and CBOs are required to report to the UNDP on progress and budgetary compliance.
- 2.3 Subject to Article III, the UNDP, with the aid of and input from the Steering Committee, will recommend projects to be funded under this MOU. Each recommendation will be accompanied by a report outlining the proposal and must contain a requirement for an appropriate post-implementation review.
- 2.4 WMPL will be granted representation on the Steering Committee. Recommendations made by the Steering Committee under this MOU shall not be implemented until they have been approved by WMPL in accordance with Article III.

**Article III
Approval Criteria**

- 3.1 The cost of an individual project shall not exceed US\$25,000 and a project shall not be approved unless the Steering Committee is satisfied that the project can deliver real community benefits. A preference will be given to projects that have sustainable outcomes.

- 3.2 No project shall be financed by the Pilot Programme unless it has the unanimous support of the Steering Committee and projects will be assessed and funds will be dispersed in a manner consistent with the procedure at Annexure A.
- 3.3 The following selection criteria to assess proposals shall guide the committee:
- (i) the ability of the project to have a direct impact on a disadvantaged group;
 - (ii) the ability of the project to develop independently after the initial grant;
 - (iii) the ability of the project to attract co-funding from other sources; and
 - (iv) the ability of the project to deliver sustainable outcomes.
- 3.4 In assessing projects the Steering Committee shall take into account any possible conflicts with Woodside's Business Principles and Code of Conduct.

Article IV Financial Provisions

- 4.1 WMPL's funding for the first year of the Pilot Programme will not exceed US\$80,000 (inclusive of a 7% administration and support fee) (the Funds) unless otherwise agreed by WMPL.
- 4.2 Within 30 days after execution of this MOU, WMPL will release the Funds to the UNDP into the following bank account:
- Name of the Bank: Banque Nationale de Mauritanie*
Account Number: 529 944/0
Bank Address: Avenue Roi Fayçal
Po. Box: 291/614
- 4.3 The UNDP shall maintain a statement on the balance of the Funds. The UNDP shall issue a quarterly statement to WMPL showing all outgoings from the Funds and the balance of the Funds.
- 4.4 The UNDP will create a specific project code for the Pilot Programme in the UNDP's "ATLAS" on-line accounting system which will record all incomings and outgoings associated with the funding of the Pilot Programme.
- 4.5 The UNDP administrative and support fees will not exceed 7% of the overall amount funded by WMPL in connection with the Pilot Programme.
- 4.6 Woodside reserves the right to conduct audits on the use of the Funds by the beneficiaries (NGOs/CBOs) in the Pilot Programme.

- 7.2 Consultation and exchange of information and documents under this Article shall be without prejudice to arrangements, which may be required to safeguard the confidential and restricted character of certain information and documents.
- 7.3 The Parties may invite each other to send observers to meetings or conferences convened by them or under their auspices in which, in the opinion of either party, the other may have an interest. Invitations shall be subject to the procedures applicable to such meetings or conferences.

Article XIII
Use of Name and Emblem

- 8.1 Neither Party shall use the name, emblem or trademarks of the other party, its subsidiaries, and/or affiliates, or any abbreviation thereof, in connection with its business or otherwise without the express prior written approval of the other 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 WMPL products or services.
- 8.2 WMPL acknowledges that it is familiar with UNDP's ideals and objectives and recognizes that its name and emblem may not be associated with any political or sectarian cause or otherwise used in a manner inconsistent with the status, reputation and neutrality of UNDP.
- 8.3 The Parties agree to recognize and acknowledge this partnership, as appropriate. To this end, the Parties shall consult with each other concerning the manner and form of such recognition and acknowledgement.

Article IX
Duration, Termination, Modification

- 9.1 The proposed cooperation under this MOU is non-exclusive and shall have a duration of an initial period of one year, commencing December 1, 2005 and ending November 30, 2006, unless terminated earlier by either party upon three months notice in writing to the other party. The Parties may agree to extend this MOU for subsequent periods by mutual written agreement.
- 9.2 This MOU may be amended by mutual agreement of the Parties reflected in writing.

Article X
Notices and Addresses

Any notice or request required or permitted to be given or made under this MOU shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall have been delivered by hand, mail, telex, or cable to the party to which it is required to be given or made at the address specified below or such other address as shall be hereafter notified.

For UNDP: Cécile Molinier
 UNDP Resident Représentative
 BP: 620
 Nouakchott
 Mauritania

For WMPL: Jon Ozturgut
 Woodside Mauritania Pty Ltd
 Ilot O 91-92, Tevragh Zeina,
 Nouakchott, Islamic Republic of Mauritania
 Fax: +222 5254561
 Email: Jon.Ozturgut@woodside.com.au

Article XI
Settlement of Disputes

- 11.1 The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of this MOU. Where the Parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the UNCITRAL Conciliation Rules then obtaining, or according to such other procedure as may be agreed between the Parties.
- 11.2 Any dispute, controversy or claim between the Parties arising out of this MOU which is not settled amicably in accordance with the foregoing paragraph shall be referred to arbitration under the UNCITRAL Arbitration Rules then in force. The arbitral tribunal shall have no authority to award punitive damages. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute.

Appendix A**Project Cycle**

1. Receipt of Proposal and Analysis by the National Coordinator of GEF/SGP of Mauritania. Proposal shortlisted.

2. Site visit by National Coordinator and Steering Committee for further analysis and to test community support for proposal.

3. Proposal submitted / approved by Steering Committee.

4. Memorandum of Understanding signed with NGO.

5. Initial Grant - not more than 45 per cent of agreed funding paid into bank account in the name of the NGO/ verified through a compulsory letter from the relevant bank attesting to the fact and identifying signatories to the account.

6. Somewhere between 3 and 6 months after initial grant (timing depends on the type/ size of project) the NGO submits an "Activity Report" including a financial component with receipts to account for all expenditure of the cashed grant.

7. Another site visit by the Steering Committee to assess the activity report; if progress is judged acceptable the second tranche of the grant comprising around 45 per cent of the agreed funding.

8. Project Finished – Final Report submitted (including financial accounts) - if judged acceptable, final tranche of 10 per cent of agreed funding is paid.

9. Post Implementation Review is Carried Out

Financial Management of GEF/SGP

The financial management of GEF/ SGP worldwide is carried out from New York through a financial information system called ATLAS. Purchase requests have to be made through this system and NY must approve all financial outflows. The ATLAS system provides real time reporting on financial activities.

- 11.3 This MOU comprises the complete understanding of the Parties in respect of the subject matter in this MOU and supercede all prior agreements relating to the same subject matter. Failure by either Party to enforce a provision of this MOU shall not constitute a waiver of that or any other provision of this MOU. The invalidity of unenforceability of any provision of this MOU shall not affect the validity or enforceability of any other provision of the MOU.

Article XII Privileges and Immunities

Nothing in or relating to this MOU shall be deemed a waiver, express, or implied, of any of the privileges and immunities of the United Nations, including its subsidiary organs.

Article XIII Acknowledgements

All Public acknowledgements of the Pilot Programme shall recognise WMPL and the other PSCB JVPs, namely Woodside and its joint venture participants, Hardman Resources Ltd, BG Group, Premier Oil and Roc Oil Company Limited.

IN WITNESS WHEREOF, the duly authorized representatives of the Parties affix their signatures below.



Resident Representative

13/12/05

Date



President and General Manager

13/12/05

Date

Non-core Development Advisory Services (DAS) Funding Facility

Non-core Development Advisory Services (DAS) Funding Facility

General

1. In addition to the existing funding modalities, in each Country Office, a Development Advisory Services (DAS) Facility funded through Other Resources can be established in order to provide Resident Representatives with a rapid response capacity for direct support to upstream initiatives in UNDP's focus areas.

The DAS facility

2. Development Advisory Services (DAS) are intended to directly support high priority frameworks and programming initiatives, such as Country Programmes, SRFs, UNDAFs, pursuance of MDGs and Joint Programmes. The DAS facility should be leveraged to significantly enhance the substantive capacity of UNDP country offices to respond in a timely and flexible manner to the identified needs of governments in the above areas. The DAS facility also is expected to enhance the consultative process between Resident Representatives, Governments and donors, especially with respect to the alignment and programming of core and non-core resources.

3. There is no prescribed funding level for the DAS facility established in each country office. Rather, DAS funding will depend entirely on the ability of country offices to mobilize resources for this purpose in close consultation with the government.

4. The DAS facility could receive funds from a variety of sources, such as one or more of the following below:

(i) The Country Programme Cost sharing Account (11888 account) represents a source of non-core programme resources available to countries in support of a broad range of programme initiatives falling within the purview of their Country Programmes. Resources currently flow into it from two different sources: (1) blanket contributions to Country Programmes from donors (usually the concerned programme country government); and (2) interest earned on cost sharing income balances. Country offices should review the current status of their Country Programme cost sharing accounts (11888 accounts), especially accumulated interest earned on cost sharing income balances, and then hold appropriate consultations with host governments in order to determine the magnitude of resources, if any, which could be best utilized through transfer to the DAS facility.

(ii) Residual Cost Sharing Income Balances exist with respect to a large number of completed projects that still have remaining cost sharing income balances. Consistent with general practice in the organization, donor agreement/concurrence must be secured prior to transferring and utilizing any such balances to the DAS facility.

(iii) Direct Government and Third-Party Contributions can also be mobilized and credited to the DAS facility to directly support programme initiatives.

Operational and Procedural Guidelines

Recording of Income

5. The Development Advisory Services (DAS) facility is cash controlled fund managed through the AX1 DP ledger, fund code 11999.

6. The facility can receive funds from a variety of sources noted above. However, once income is recorded in the DAS facility, it cannot be considered fungible and thus is not eligible for consideration for transfer for other purposes.

7. If Country Offices transfers unutilized cost sharing balances to the DAS facility, the following prerequisites apply:

- Offices are to ensure that corresponding costs-sharing project is closed and there are no outstanding financial obligations or commitments;
- Offices are to secure the concurrence of the donor in order to redeploy these funds to the DAS;
- A General Ledger Journal Entry (GLJE) is raised based on the following model:

Line	Account	Fund	Project	Oper	Dept	Amount	Comment
1	51035	As per cost sharing project fund	your project	CO	CO	TBD	DEBIT to cost sharing balances to redeploy as DAS
2	51035	11999	n/a	CO	CO	TBD	CREDIT to DAS facility from CS balances

8. In cases where the Country Office successfully mobilizes government or third party cost-sharing contributions towards the DAS, upon receipt of the contribution, offices are to apply the contribution to Fund 11999 using the Accounts Receivable module in Atlas. It must be emphasized that regular GMS charges will apply to the contribution, as per cost recovery policy.

Project Set up

9. Based on actual income recorded in the Development Advisory Services facility and as requested by the Country Office, the Country Office can set up a development project(s) using the following COA:

YEAR: Current Year
 FUND: 11999
 OP UNIT: Country Office Code
 PROJECT: To be created by CO
 IMPL AGENT: UNDP
 DONOR: 00012

Monitoring and Reporting of Income and Expenditure

10. As for any other funds, Country Offices can monitor both their DAS income and their DAS expenditures through the Atlas Executive Snapshot as well as through relevant Atlas fund level reports.

Substantive Reporting of Results

11. CO's should report their activities and results achieved through the DAS facility in the ROAR.

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