

**STANDARD LETTER OF AGREEMENT BETWEEN
THE UNITED NATIONS DEVELOPMENT PROGRAMME AND
THE AID COORDINATION UNIT OF THE OFFICE OF THE PRIME MINISTER
OF THE FEDERAL GOVERNMENT OF SOMALIA ON THE IMPLEMENTATION OF SUPPORT
TO AID MANAGEMENT AND COORDINATION IN SOMALIA PROJECT
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 Aid Coordination Unit of the Office of the Prime Minister of the Federal Government of Somalia (herein referred to as "ACU") with respect to the realization of activities by ACU in the implementation of the project numbers 00113390 and 00114120 "Support to Aid Management and Coordination in Somalia" 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 ACU towards the project, as specified in Attachment 2: Description of Activities (hereinafter referred to as "Activities"). Close consultations will be held between ACU and UNDP on all aspects of the Activities.

3. The ACU 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 ACU 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 ACU 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 ACU, and its personnel as a result of their work pertaining to the Activities.

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

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

7. ACU 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, ACU and the financial services provider undertake to notify UNDP immediately. UNDP reserves the right to request a bank statement from ACU or, if necessary, from the financial services provider, for scrutiny and authentication.

8. ACU shall not make any financial commitments or incur any expenses which would exceed the budget for the Activities as set forth in Attachment 3. ACU shall regularly consult with UNDP concerning the status and use of funds and shall promptly advise UNDP any time when ACU 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 provide ACU with any funds or to make any reimbursement for expenses incurred by ACU in excess of the total budget as set forth in Attachment 3.

9. ACU 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 ACU in the financial report for project numbers 00113390 and 00114120 "Support to Aid Management and Coordination in Somalia"

10. ACU 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. ACU 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 ACU 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 ACU.

13. Any changes to the Project Document which would affect the work being performed by ACU 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 ACU 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 ACU 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 ACU 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. ACU 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 ACU 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_and_investigation.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 ACU 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@undp.org,
c=UG
Date: 2020.03.23 15:51:47 +0300

Jocelyn Mason, Resident Representative
[Date]

Signed on behalf of the Aid Coordination Unit, Office of the Permanent Representative to the Federal Government of Somalia


Ahmednur Mohamed Abd., Permanent Secretary, Office of the Prime Minister
[Date]



Attachment 1

PROJECT DOCUMENT EXTRACT

Building upon previous support and considering above-mentioned challenges, the 'Support to Aid Management and Coordination in Somalia Project' assists the Federal Government of Somalia in developing their core capacities to coordinate and manage development assistance to Somalia during the period November 2018 – December 2020. The project document proposes a costed framework for further developing the existing aid coordination and aid effectiveness capabilities, and is specifically supporting the Aid Coordination Unit at the Office of the Prime Minister in the overall logistical management of the coordination architecture as well as the monitoring of the New Partnership for Somalia, and the Ministry of Planning, Investment and Economic Development to support the new Aid Information Management System.

During the first year and two months of implementation (Nov 2018-Dec 2019) project activities related to aid coordination with engagement of the Aid Coordination Unit have been carried out through a Letter of Agreement which is expiring on 31 December 2019. During this period the project has supported the implementation of agreed activities. One of them is the refinement of the aid architecture in a manner that aligns to the four government roadmaps and the structure of the NDP 9, which is expected to simplify the whole framework rendering it nimbler and less costly. By December 2019 the Federal Government of Somalia is holding internal consultations and expects to reach an agreement in early 2020. The refinement of the aid architecture may have implications to the project budget in 2020, as well as the ongoing process of integration of ACU into the Office of the Prime Minister which may influence its sustainability. If these impacts are confirmed and it is deemed convenient by UNDP and ACU/OPM and approved by the project board, and amendment of the present LOA will be done upon approval of UNDP and ACU/OPM.

The project is expected to achieve the following **outcomes**:

- i) a more inclusive, effective and efficient aid architecture;
- ii) strengthened national ownership and capacity for aid coordination processes;
- iii) better coherence in the international community's support for aid coordination and effectiveness.

These outcomes aim to contribute towards a better managed, more capable, and more accountable Somali aid coordination and management function that supports state-building priorities, consolidates linkages between the FGS and FMS, and contributes to stability and responds to citizen needs (Impact Statement).

The project focuses on the following outputs:

Output 1: Strengthened Coordination throughout the SDRF Aid Architecture

Specific activities include:

- Review the Aid Coordination Arrangements on annual basis
- Provide financial support to the ACU to provide secretariat support to the Aid Coordination Architecture
- Training and mentoring of aid coordination teams
- Development and Implementation of Standard Operating Procedures and Government Guidance on Aid Coordination

Output 2: Monitoring NPS, MAF and UCS Implementation

Specific activities include:

- Develop and maintain an overarching NPS which is linked to the NDP Monitoring Framework
- Monitoring of NPS, MAF implementation & the UCS Roadmap
- Monitoring of Aid Flows and Acquisition of the AIMS

Attachment 2

DESCRIPTION OF ACTIVITIES

Project numbers: 000116132 and 00117249, output numbers: 00113390 and 00114120
Project title: "Support to Aid Management and Coordination in Somalia"

This LOA between the UNDP and the Aid Coordination Unit of the office of the Prime Minister covers the last year of implementation of the project (01 January-31 December 2020) to ensure continuity of aid coordination activities, basically the functioning of the Somali Development & Reconstruction Facility framework which directly affects the implementation of the National Development Plan and the New Partnership for Somalia.

Results to be achieved by ACU:

Output 1: Strengthened Coordination throughout the SDRF Aid Architecture

Results:

- Review Aid Coordination Architecture
- ACU support
- Facilitation of participation of FMS representatives in federal aid coordination structures
- Training and mentoring of aid coordination teams
- Development and Implementation of Standard Operating Procedures and Government Guidance on Aid Coordination

Output 2. Monitoring NPS, MAF and UCS implementation

Results:

- Develop and maintain overarching NPS Monitoring Frameworks
- Monitoring of NPS implementation, MAF & UCS Roadmap
- Monitoring of Aid Flows and Acquisition of the AIMS

Work to be performed by ACU

Activities:

- ACU Travel/missions abroad Somalia
- ACU Travel/missions within Somalia
- Sundry for ACU functioning
- Organization of workshops/meetings
- Travel for participation of FMS in PWG and SDRF meetings and workshops

- Management of travel to ensure stakeholder participation in meetings/workshops associated to consultancies
- Contractual services related to organization of meetings/workshops associated to consultancies
- Sundry for organization of workshops/meetings associated to consultancies
- Organization of workshops/meetings associated to consultancies

Description of inputs per activity:

Provide a detailed description of the project inputs by activity. This may include personnel, contracts, training, equipment, miscellaneous and micro-capital grants.

- ACU office functioning supported
 - Travel
 - Workshops
 - Miscellaneous - Op. expenditures
- Facilitation of participation of FMS representatives in federal aid coordination structures
 - Travel
 - Training, Workshops and Conferences
- Training and mentoring of aid coordination teams
 - Consultancies
 - Training, Workshops and Conferences
- Development and implementation of Standard Operating Procedures and Government Guidance on Aid Coordination
 - National consultancy
- Monitoring of Aid Flows and Acquisition of the AIMS
 - Training, Workshops and Conferences

Attachment 3

Scheduled of Activities, Facilities and Payments

| EXPECTED CP OUTPUTS and indicators including annual targets | PLANNED ACTIVITIES <i>List all activities to be undertaken during the year towards stated outputs</i> | CTM | | Planned Budget | | Schedule of payments by UNDP | | | |
|---|---|-----|----|-----------------------------------|----------------|------------------------------|----------------|----------------|----------------|
| | | CA | DP | Budget description | Amount | Q1 | Q2 | Q3 | Q4 |
| OUTPUT 1. Strengthened Coordination throughout the SDRF Aid Architecture | Development and implementation of Standard Operating Procedures and Government Guidance on Aid Coordination | | x | National consultants | 15,000 | - | 15,000 | - | - |
| | Travel (SDRF, SPF, PWG)/Missions ACU | x | | Travel | 285,000 | 8,900 | 85,000 | 95,550 | 95,550 |
| | ACU office functioning supported | x | | Misc-Operat Expend | 34,800 | 8,684 | 8,734 | 8,634 | 8,748 |
| | Facilitation of participation of FMS representatives in federal aid coordination structures/Workshops ACU | x | | Training, Workshops and Confer | 294,298 | 10,600 | 95,000 | 105,000 | 83,698 |
| Subtotal Output 1 | | | | | 629,098 | 28,184 | 203,734 | 209,184 | 187,996 |
| OUTPUT 2. Monitoring NPS, MAF and UCS implementation | Develop and maintain overarching NPS Monitoring Frameworks | | x | National consultant | 30,000 | - | 15,000 | 15,000 | - |
| | Monitoring of Aid Flows and Acquisition of the AIMS | x | | Training, Workshops and Confer | 34,000 | 10,000 | 12,000 | 12,000 | - |
| Sub-total Output 2 | | | | | 64,000 | 10,000 | 27,000 | 27,000 | - |
| Total | | | | | 693,098 | 38,184 | 230,734 | 236,184 | 187,996 |

Attachment 5

MODEL UNDP EXPENDITURE REPORT

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 |
|---|--------------------------------|-------------------|----------------------------|---------------------------------|-----------|-----------------------------|-------------------|-------------------------------|
| | | <u>MM-MM YYYY</u> | | | | <u>MM-MM YYYY</u> | | |
| | | A | B | C | D = A - C | E | F | G = D + F |
| XXXXXXXXXXXXXXXXXXXX (MM/YYYY - MM/YYYY) | | | | | | | | |
| XXXXXXXXXXXXXXXXXXXX (MM/YYYY - MM/YYYY) | | | | | | | | |
| XXXXXXXXXXXXXXXXXXXX (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 of the RP.
- RP will submit an official letter to UNDP signed by the authorized signatory for Request of Direct Payment and release of advance funds 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.
- 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 prior to the commencement of the activity to the UNDP, in which UNDP will verify and confirm the approval.

Management of Cash Advances:

- RP will submit the following mentioned documents for release of cash advance 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.

Cash Advance Request:

- FACE Form
- Request Letter
- Itemized Cost Estimates
- Bank statement
- Bank Reconciliation

Cash Advance Liquidation:

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

Return of balance/ unspent funds

- Any balance of funds that is undisbursed and uncommitted after the conclusion of the project activities shall be returned within 30 days to UNDP. Cross Cheque of the balance amount should be issued in the name of UNDP Resident Representative, Somalia.

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.

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 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).
- 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.

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.

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.

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.

Annex 2: Cash Transfer Modalities and Schedules

In this LoA, UNDP will make payment to ACU using the following modalities as applicable and in line with the budget:

| Quarter | Cash Advance | Direct Payments | Total USD |
|----------------|---------------------|------------------------|------------------|
| Q1 (Jan - Mar) | 38,184 | - | 38,184 |
| Q2 (Apr - Jun) | 200,734 | 30,000 | 230,734 |
| Q3 (Jul - Sep) | 221,184 | 15,000 | 236,184 |
| Q4 (Oct - Dec) | 187,996 | - | 187,996 |
| Total | 648,098 | 45,000 | 693,098 |