

STANDARD LETTER OF AGREEMENT BETWEEN
THE UNITED NATIONS DEVELOPMENT PROGRAMME IN UGANDA
AND
MINISTRY OF FOREIGN AFFAIRS

ON THE IMPLEMENTATION OF THE PROJECT "CAPACITY BUILDING FOR STRENGTHENING DIASPORA RESOURCE
MOBILIZATION AND UTILISATION" (PROJECT ID 00062243) FROM AUGUST 2011 – AUGUST 2013

WHEREAS, the United Nations Development Programme in Uganda (hereafter "UNDP Uganda") and Ministry of Foreign Affairs (hereafter "MoFA") have collaborated to intervene in the area of Growth and Poverty Reduction as part of their support to the National Development Plan (NDP) and anchoring on the United Nations Development Assistance Framework (UNDAF) through the project, "Capacity Building for Strengthening Diaspora resource mobilization and utilization", Project ID 00062243.

Whereas the interventions of the project "Capacity Building for Strengthening Diaspora resource mobilization and utilization" aims at: i) Strengthening the MoFA information and management systems for greater coordination and strategic partnerships with the diaspora; ii) Developing policy and institutional arrangements for guiding diaspora participation and contribution to national development and; iii) Enhancing incentives for diaspora investments and remittances as well as identifying opportunities for national development so as to guide diaspora investment.

WHEREAS MoFA has offered to implement the, Project 00062243 - Results and Resources Framework and Work Plan included in the project document (refer to annex A).

WHEREAS, UNDP Uganda as a Senior Supplier will avail financial resources and MoFA has offered to implement the project in collaboration with Bank of Uganda (BoU) and Uganda Investment Authority (UIA) as the Responsible Party¹.

WHEREAS, UNDP Uganda, MoFA, BoU and UIA (hereafter "the parties") have collaborated in the finalization of the Work Plan for the project.

The Parties therefore agree as follows:

1. Implementation arrangements

1.1. Role of UNDP Uganda:

- UNDP shall provide services and facilities as described below, on the basis of a written request from MoFA (the description of services and facilities by UNDP are attached in annex D of this letter of Agreement).
- The recruitment of the project staff.
- Procurement of physical equipment.
- Procurement of goods and services.

In such circumstances UNDP rules and regulations will be applied.

- UNDP will conduct a Harmonized Approach to Cash Transfers (HACT) Assessment of the Financial and Administrative Management Capacity of MoFA.

¹ A Responsible Party is defined as an entity that has been selected to act on behalf of the Implementing Partner on the basis of a written agreement or contract to purchase goods or provide services using the project budget. In addition, the Responsible Party may manage the use of these goods and services to carry out project activities and produce outputs. All Responsible Parties are directly accountable to the Implementing Partner in accordance with the terms of their agreement or contract with the Implementing Partner.

- Procurement of services of a firm to audit the project.
- Procurement of services of a consultant or consultancy firm to evaluate the project.
- UNDP in collaboration with MoFA, BoU and UIA will monitor the project's progress towards intended outputs.
- UNDP will specifically support MoFA in the implementation of project activities and in Monitoring and Evaluation (M&E) processes.
- UNDP will report on the progress of the project in accordance with UNDP reporting guidelines.
- UNDP shall recover the costs incurred for providing the support services described in Section 1.1 above by charging the administration costs attached to the project and specified in the project document.

1.2. Role of MoFA:

- MoFA shall retain overall responsibility for the project as the Implementing Partner and shall designate a Project Manager² who will be the authority in MoFA to approve and sign all the documents pertaining to the project. These will include, the work plans, the requests for advances, financial reports, and Combined Delivery Reports (CDRs)
- MoFA shall prepare progress reports on a quarterly basis (format attached). The quarterly reports shall include the activities carried by the Responsible Parties on behalf of MoFA;
- MoFA shall prepare financial reports on a quarterly basis using the Funding Authorization and Certificate of Expenditure (FACE) form (refer to annex F) and a final financial report at the end of the implementation period;
- MoFA shall prepare quarterly work plans. The quarterly work plans shall include the activities to be carried by the responsible parties on behalf of MoFA;
- MoFA will directly implement outputs 1 and 2 as follows:
 - **MoFA information and management systems for greater coordination linkages and strategic partnerships with Diaspora developed and strengthened**
 - **Policy and institutional mechanisms/arrangements for Diaspora developed**
- MoFA shall engage BoU and UIA as Responsible Parties to act on its behalf, on the basis of a written agreement or contract to provide services using the project budget. BoU and UIA will provide services to implement output 3 of the project:
 - **Incentives for the Diaspora investments and remittances enhanced and opportunities identified for national development**
- MoFA, BoU and UIA shall participate in all the procurement of goods and services as well as in the recruitment of the project personnel for the project.

2. Financial Arrangements

The National Execution (NEX) Direct Cash Transfers using quarterly Advances will be the preferred modality for financial implementation based on the HACT assessment and Requests for Direct Payment (RDP) will be the alternative financial modality. Quarterly advances will be transferred to MoFA in its capacity as the implementing Partner for the obligations and expenditures to be made in support of activities agreed in the Work Plan attached to this letter of agreement.

2.1. UNDP

- Based on the project document (refer to annex A), UNDP will provide funding to MoFA based on the agreed annual work plan over the project period. Funding shall be released based on service delivery level, absorptive capacity and accountability evidence from previous funds received from UNDP within the project life cycle.
- UNDP Uganda will provide the required financial resources for support to the implementation of the activities agreed in the work plan and budget (refer to annex B).
- The funds will be disbursed as advances to MoFA on a quarterly basis upon submission of a quarterly Work Plan and recurrent financial accountabilities by MoFA to UNDP Uganda.

² The Project Manager shall be held accountable for the day to day management and operations of the project. S/he is responsible for ensuring that the project produces the outputs and results specified in the project document- to the required standard of quality and within the specified constraints of time and cost.

CJM

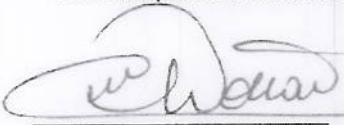
- UNDP Uganda shall not be responsible for expenses incurred by MoFA beyond the agreed budget or the scope of the activities of the Work Plan.
- UNDP Uganda will closely monitor the implementation in order to verify the correct use of the advanced funds for achieving of immediate results and expected outputs as per the project document and work plan. UNDP Uganda will monitor the amounts to be advanced to the project, according to the planned activities in any period.
- UNDP shall be responsible for carrying out routine project audits.

2.2. MoFA

- MoFA will administer the resources provided by UNDP Uganda, being responsible for all direct payments generated by the implementation of the activities indicated in the Work Plan and budget.
 - MoFA shall open a separate bank account for the project.
 - MoFA and the Responsible Parties shall apply an administrative cost rate not exceeding between 3% and 7% of the total project budget. Approval of administrative costs shall be subject to receipt of justification, including actual break down of incurred costs.
 - Requests for advances should be prepared in line with the project Work Plan, and must be signed by the Implementing Partner or the designated project personnel (Project Manager).
 - The funds advanced to the project are under the total responsibility of MoFA as the Implementing Partner and must only be used for the activities and inputs stated in the work plan, and following UNDP's policies and procedures.
 - At the end of the implementation period, MoFA will provide to UNDP Uganda, an end of Project Review Report together with the detailed progress and financial report of the expenditures incurred and activities undertaken for the entire life span of the project. The expenditures shall include those of the Responsible Parties implementing specific outputs on MoFA's behalf.
 - MoFA shall not make any financial commitments or incur any expenses which exceed budgeted amounts. MoFA shall promptly advise UNDP any time when MoFA is aware that the estimated budget is insufficient to fully implement the project activities. UNDP shall have no obligation to provide MoFA with any funds or to make any reimbursement for expenses incurred by MoFA in excess of the budgeted amounts.
 - MoFA must keep a good system of accounting, recording and appropriate filing of financial documentation on the project (in order to maintain records of all payments made with advances and original expenditure backup documentation).
 - The Project Manager shall sign the Financial Report or the Funding Authorization and Certificate of Expenditures (FACE) for purposes of requesting for funds and reporting on expenditures. The FACE form shall be submitted to UNDP not later than the 15th day after the end of quarter or the year.
 - The Project Manager shall approve and sign the Combined Delivery Report (CDR) at the end of the year. The CDRs shall have all the expenditures of the project including the direct payments at UNDP, the expenditures by MoFA and the expenditures by the Responsible Parties on behalf of MoFA.
 - MoFA will reimburse to UNDP unspent amounts if any; at the end of each year for reprogramming and at the end of the project period.
 - All project reports and related documents including publicity materials shall bear the logo of UNDP and acknowledge the financial support extended to MoFA by UNDP.
3. MoFA shall be fully responsible for carrying out, with due diligence and efficiency, of all services in accordance with its Financial Regulations and Rules.
4. In carrying out the activities under this Letter, the personnel and sub-contractors of MoFA 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 MoFA or its personnel, or of its contractors or their personnel, in performing the Services or any claims for death, bodily injury, disability, damage to property or other hazards that may be suffered by MoFA, and its personnel as a result of their work pertaining to the project.

Handwritten signature

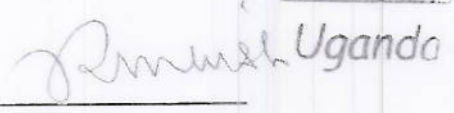
5. The personnel assigned by MoFA to the activity and under contract with MoFA shall work and shall remain accountable to MoFA for the manner in which assigned functions are discharged under MoFA regulations and rules.
6. For any matters not specifically covered by this Letter, the Parties shall ensure that those matters will be resolved in accordance with the provisions of the UNDP regulations, procedures and rules.
7. The arrangements described in this Letter will remain in effect until the orderly completion of the Project or until terminated in writing (with 15 days notice) by either party. MoFA shall not be made to refund amounts which were properly and irrevocably committed in accordance with provisions of the financial Regulations and Rules of UNDP.
8. Any amendment to this Letter shall be effected by mutual agreement, in writing;
9. Except as provided in paragraph 6 above, any dispute between the Implementing Partner and the United Nations agency 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 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.
10. All further correspondence regarding this Letter, other than signed letters of agreement or amendments thereto, should be addressed to [Mr. Lebogang MOTLANA, Country Director, UNDP, PLOT 11 YUSUF LULE ROAD, Nakasero, Uganda].
11. 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 there by constitute the basis for your [MOFA] participation in the implementation of the project.



Signed on behalf of UNDP
Lebogang Motlana
Country Director



02/10/2011
Date:


Uganda

27/9/2011
Date:

Signed on behalf of:
Implementing Partner
(MoFA)

ANNEXES

- A. Project Document
- B. Annual Work Plan
- C. Procurement Plan
- D. Description of Services and Facilities for the work to be performed by UNDP on behalf of MoFA.
- E. Schedule of services, facilities and payments
- F. Sample Quarterly Progress Report Format.
- G. Funding Authorization and Certificate of Expenditures (FACE) Form.

Attachment 1

DESCRIPTION OF SERVICES

Project number: 00079644
Project title: Capacity Building for Strengthening Diaspora Resource Mobilization and Utilization

Work to be performed by the United Nations agency:

UNDP will provide the following services for the successful implementation of project:

1. Procurement of Consultancy services for the following components of project:
 - a. Diaspora Policy
 - b. Institutional arrangements study for diplomacy and strategic studies
 - c. Foreign Policy Review
 - d. Feasibility study for establishment of Diaspora bond
2. Facilitate arrangements for travel as per the approved AWP and Procurement Plan

Description of services:

UNDP shall, on the basis of prior request, undertake procurement of consultants for the project as detailed below:

Output:	Diaspora paper and policy institutional arrangements for Diaspora developed – <i>Diaspora Policy</i>
Description of Service:	Undertake procurement of consultant(s) on the basis of ToR to be provided by the national institution; facilitate travel.
Output:	Diaspora paper and policy institutional arrangements for Diaspora developed – <i>Institutional arrangements study for institute of diplomacy and strategic studies</i>
Description of Service:	Undertake procurement of consultant(s) on the basis of ToR to be provided by the national institution; facilitate travel.
Output:	Diaspora paper and policy institutional arrangements for Diaspora developed – <i>Foreign Policy Review</i>
Description of Service:	Undertake procurement of resource persons on the basis of ToR to be provided by the national institution; facilitate travel.
Output:	Incentives for the Diaspora investments and remittances enhanced and opportunities identified for national development – <i>Feasibility study for establishing international Diaspora bonds</i>
Description of Service:	Undertake procurement of consultant on the basis of ToR to be provided by the national institution; facilitate travel.