

Memorandum of Understanding on Funding for the Implementation Phase of Prosperity Fund Global Future Cities Programme

The Government of the United Kingdom of Great Britain and Northern Ireland (the Government) represented by the Foreign and Commonwealth Office (“FCO”)

and

The United Nations Human Settlements Programme {UN-Habitat} (“The Partner”)

(together the Participants)

WHEREAS, the FCO requires UN-Habitat to undertake the Implementation phase of the Prosperity Fund Global Future Cities Programme as described in Annex A in 19 cities across Brazil, Nigeria, South Africa, Turkey and six countries in South East Asia.

WHEREAS, for the effective implementation of the project FCO requests UN-Habitat to collaborate with the UK Built Environment Advisory Group (“UKBEAG”) to implement specific components of the Implementation phase as described in Annex A.

WHEREAS, this project is intended to result in the outputs described in Annex A for the Prosperity Fund Global Futures Cities Programme.

The Participants have reached the following understandings:

1. Purpose

- (1) The purpose of this memorandum is to provide support to UN-Habitat to enable it to implement the project referred to in Annex A. The objectives and activities of the project, which is entitled “Prosperity Fund Global Future Cities Programme – Implementation Phase”, are set out in Annex A.
- (2) The Partner will be awarded the funding in line with the commitments set out in this memorandum.
- (3) The Partner accepts the funding, which will be used in accordance with the United Nations Financial Regulations and Rules, Policies and Procedures of UN-Habitat to implement the project activities as set out in Annex A.
- (4) The Partner will not undertake any activities as part of this project other than those described in Annex A 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 provides funds for the period from 12th September 2019 until 31th March 2022.

3. Financial arrangements

- (1) *Summary of the financial arrangements.*
 - (a) The total amount of the cost of the Project eligible for financing is \$7,977,542 gross.
 - (b) Subject to paragraph 8 below, the Government will provide up to a maximum of \$7,977,542 towards the total costs of the project.
 - (c) Payment will be made as per the payment schedule set out in Annex C.
 - (d) The Participants recognise the importance of conducting good practice when using funds provided by the Government for any procurement that is necessary to implement the project.
 - (e) The Partner will maintain an accurate record of expenditure and will retain all invoices, receipts and accounting records relating to the Project for up to six years and make these available for inspection by the Government or the United Nations internal or external auditors as required.
 - (f) The Partner will maintain records of significant exchange rate fluctuations (+/- 5%) which might then lead to changes in the levels of resources required.
- (2) *Details of Bank Account that funds will be paid into.*

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- (3) In accordance with United Nations Financial Regulations and with applicable General Assembly resolutions, the contribution also includes: (i) seven (7) percent of all expenditures from the project as a charge for programme support services provided by UN-Habitat and other offices and departments of the United Nations in the implementation of the strategic development phase of the Prosperity Fund Global Future Cities Programme; (ii) six (6) percent of all expenditures from the project as a charge for administrative support services provided by UN-Habitat’s Urban Planning

and Design Branch in the implementation of the strategic development phase of the Prosperity Fund Global Future Cities Programme.

- (4) The Projects and activities funded by the Contribution from FCO will be exclusively subject to the external and internal audit procedures provided for in the financial regulations, rules and policies of the UN Partner.

4. Due Diligence

- (1) In utilising the Contribution the Partner will exercise the same care in the discharge of its functions under this arrangement as it exercises with respect to the administration and management of its own resources and affairs. The Partner will co-operate fully with any due diligence assessment by FCO or its agents, of the Partners own internal controls and systems. Such cooperation by the Partner will be consistent with its "**single audit principle**", as well as with its relevant regulations, rules, policies and procedures. These assessments should be completed prior to project implementation and will last for three (3) years, unless there is a significant change to the Partner's procedures and controls or operating environment.
- (2) Additionally the Partner will take the necessary steps at the commencement of the Project and at regular intervals throughout the implementation to assess the internal controls and systems of any implementing partners. These assessments will be shared with FCO, upon request and should determine, relative to programme risk:
 - (a) Reliability and integrity of the Implementing Partner's financial controls, systems and processes;
 - (b) Effectiveness and efficiency of their Project operations;
 - (c) Procedures for safeguarding project assets; and
 - (d) Compliance with the Partner's relevant, regulations, rules, policies and procedures.

5. Use of Logo

- (1) Neither Participant will use the name or emblem of the other Participant, or an abbreviation thereof, in connection with its business or otherwise, without the express prior written permission by a duly authorized representative of the Participant in each case.
- (2) Neither Participant has the authority, express or implied, to make any public statement on behalf of other Participant and all press releases issued in relation to this arrangement shall be approved in writing in advance by the Participants before being issued.

6. Amendment of this memorandum

Any amendment to this memorandum will be decided upon by both Participants and will be made in writing and approved by the authorized personnel of the Participants.

7. Reporting

- (1) On 1st January 2020 and every quarter thereafter, the Partner will provide a brief narrative report of the activities undertaken under the project and an assessment of the progress made against activities described in Annex A.

- (2) On 1st January 2020 and every quarter thereafter, the Partner will submit a statement setting out how the project funds were spent in delivering the outputs as described in Annex A.
- (3) Continuation of the project in subsequent years will be dependent on satisfactory progress against the original project bid being demonstrated through the above mentioned reports.

8. Termination

The Government may end its participation in this arrangement by giving three (3) month's written notice to the Partner, in the following circumstances:

- (1) Failure to implement the project according to this memorandum;
- (2) A significant failure by the Partner to meet any of the commitments in this memorandum;
- (3) Force majeure;
- (4) Where any changes occur which, in the opinion of the Government, impair significantly the value of the contribution of the project towards the programme objective.
Both Participants will at first negotiate in an attempt to resolve any issues that might arise throughout the project. However, this Arrangement can be terminated, at any time, by three (3) months' written notice by either participant. All remaining funds other than those irrevocably committed in good faith before the date of termination, in line with Project objectives and approved between the two participants as being required to finalise activities, will be returned to FCO.
- (5) The Partner will notify FCO when all activities relating to the Project have been completed. Notwithstanding the completion of the activities, the Partner will continue to hold unutilised funds from the contribution until all commitments and liabilities incurred in implementation of the programme or project have been satisfied and the activities have been brought to an orderly conclusion. If the unutilised funds prove insufficient to meet such commitments and liabilities, the Partner will notify FCO and both will consult on the manner in which such commitments and liabilities may be satisfied. Any unspent funds remaining at the scheduled end of a project, must be returned to FCO unless specifically decided between both participants, in writing.

9. Dispute settlement

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

10. Contact information and equipment at project end

- (1) The Partner will provide the Government with contact details for its representative with responsibility for addressing normal day to day enquiries.
- (2) On completion of the project, any items of equipment with a value of over £1,000 will remain the property of the Government unless the Participants make an alternative arrangement.

11. Responsibility for Staff

- (1) The Partner will provide adequate supervision of and care for its staff, authorised agents and representatives in line with its obligations as an employer or as a result of any other relationship.
- (2) If the Partner's staff or authorised agents and representatives are based in living or working accommodation owned/occupied or controlled by the FCO or using transport or other facilities provided by the FCO, these individuals will observe such instructions and requirements of accommodation and access to facilities as apply to FCO staff.
- (3) If the FCO's responsibility to ensure the safety of the Partner's staff or authorised agents or representatives arises while they are present in the premises or when using the facilities mentioned in subparagraph (2) above in a manner that is consistent with the purposes for which funding is provided under this MOU, this will **not** discharge any more general and continuing obligations that the Partner has to these individuals in its role as an employer or as a result of any other relationship.

12. Intellectual Property

- (1) Intellectual property developed in all material (including, but not limited to, reports, data and designs, whether or not electronically stored) produced by the Partner or its personnel, members or representatives in the course of this project ("the Material") will be the property of the Partner.
- (2) The Partner will grant to FCO a worldwide, non-exclusive irrevocable and royalty-free licence to use all the Material.

13. Counter Terrorism

Consistent with numerous United Nations Security Council resolutions including S/RES/1269 (1999), S/RES/1368 (2001) and S/RES/1373 (2001), both FCO and the Partner are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. It is the policy of FCO to seek to ensure that none of its funds are used, directly or indirectly, to provide support to individuals or entities associated with terrorism. In accordance with this policy, the Partner undertakes to use reasonable efforts to ensure that none of the FCO funds provided under this arrangement are used to provide support to individuals or entities associated with terrorism.

14. 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 the Partner.

15. Documents

- (1) This MOU consists of this document ("the Arrangement") and the following Annexes that form integral part of it:
 - (a) Annex A ("**The Project Terms of Reference**");
 - (b) Annex B ("**Project Budget**")
 - (c) Annex C ("**Payment Schedule**");
 - (d) Annex D ("**Output Register**"); and
 - (e) Annex E ("**Reporting Template**").

(2) In the event and to the extent of any conflict between the terms and conditions set out in the Arrangement and the Annexes, or between any of the Annexes, the Arrangement will prevail, followed by the Annexes in the order enumerated above.

Signed on behalf of the Government:

Signed on behalf of the Partner:

Signature:

Signature:

Name:

Name:

Position:

Position:

Date:

Date:

Annex A - The Project Terms of Reference

The Project Terms of Reference "Implementation Phase - UN-Habitat Programme Proposal" attached separately.

Annex B - Project Budget

Commitment Item Description		TOTAL BUDGET
		Amount in USD
Project Staff Personnel		
Professional staff		\$ 2,607,301
International Consultants		\$ 1,010,828
Local Consultant & Country / Regional Offices		\$ 935,799
General services staff		\$ 92,937
SUB-TOTAL Project Staff Personnel		\$ 4,646,865
Operations / Other Costs		
Meetings, workshops, facilitation		\$ 218,100
Publication & Printing		\$ 85,000
Office/Premise rental		\$ 60,000
SUB-TOTAL Operations / Other Costs		\$ 363,100
Material (Staff/equipment/software/depreciation)		
Office Equipment		\$ 30,600
IT Equipment Computers		\$ 90,000
SUB-TOTAL Material		\$ 120,600
Transfer/Grant to Implementing Partner (IP)		
Grants to IP Transfer		\$ 1,463,372
SUB-TOTAL Transfer/Grant to IP		\$ 1,463,372
Staff Travel		
Staff Travel		\$ 355,788
International Travel		\$ 110,046
SUB-TOTAL Staff Travel		\$ 465,835
UN Programme Support Cost (PSC)		
UN Programme Support Services	7%	\$ 494,184
UPDB Administrative Support Services	6%	\$ 423,586
TOTAL		\$ 7,977,542

Annex C – Payment Schedule

Milestone	Date	Amount	Description
1	12/09/2019	\$ 1,595,508	Upon signature of agreement
2	01/01/2020	\$ 698,035	Upon delivery of narrative and financial quarterly reports
3	01/04/2020	\$ 698,035	Upon delivery of narrative and financial quarterly reports
4	01/07/2020	\$ 698,035	Upon delivery of narrative and financial quarterly reports
5	01/10/2020	\$ 698,035	Upon delivery of narrative and financial quarterly reports
6	01/01/2021	\$ 698,035	Upon delivery of narrative and financial quarterly reports
7	01/04/2021	\$ 698,035	Upon delivery of narrative and financial quarterly reports
8	01/07/2021	\$ 698,035	Upon delivery of narrative and financial quarterly reports
9	01/10/2021	\$ 698,035	Upon delivery of narrative and financial quarterly reports
10	01/01/2022	\$ 797,754	All outputs listed in Annex A received and signed off by FCO

Annex D – Output Register

Attached separately

Annex F - Reporting Templates

Attached separately