



Foreign, Commonwealth & Development Office

Memorandum of Understanding

The Government of the United Kingdom of Great Britain and Northern Ireland (the Government) represented by [name of Post/Directorate] of the Foreign, Commonwealth and Development Office (the FCO)

and

[Name of organisation implementing the project] (the *Implementing Partner*)

(together called the Participants)

WHEREAS the [provide a summary of the context of the project]

WHEREAS [include any further context as appropriate]

The Participants have reached the following understandings:

1. Purpose

- (1) The purpose of this memorandum is to provide support to [name of organisation implementing the project] to enable it to implement the project referred to in Annex A. The objectives and activities of the project, which is entitled [project title], are set out in Annex A.
- (2) The Implementing Partner will be awarded the funding in line with the commitments set out in this memorandum.
- (3) The Implementing Partner accepts the funding, which will be used to implement the project activities as set out in Annex A.

- (4) The Implementing 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 FCDO, and will use the funding from the FCDO 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 [start date] until [end date].

3. Financial arrangements

(1) Summary of the financial arrangements:

- (a) The total amount of the cost of the Project eligible for financing is [currency and amount]
- (b) Subject to paragraph 6 below, the FCDO will provide up to a maximum of [total amount] towards the total costs of the project, of which [amount] will be paid in [the current financial year]. Financing by the FCDO for subsequent years of the project is not guaranteed, and will depend on satisfactory progress (as demonstrated in paragraph 4(4)), and/or the availability of funding to the FCDO.
- (c) Payment will be made quarterly in arrears on receipt of the reports detailed in section 4 below
- (d) The Participants recognise the importance of procurement good practice when using funds provided by the FCDO for any procurement that is necessary to implement the project.
- (e) The Implementing Partner will maintain an accurate record of expenditure and will retain all invoices, receipts and accounting records for up to six years and make these available for inspection by the FCDO or an independent auditor as required.

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

[Enter Bank Account details]

4. Reporting

- (1) On [date] and every [3] months thereafter, the Implementing Partner will provide a brief narrative report of the activities undertaken under the project and an assessment of the progress made against original bid documents. This assessment should also compare progress against the indicators of success recorded in the original project form.

- (2) On [date] and every [3] months thereafter, the Implementing Partner will submit a statement setting out how the project funds were spent, including details of consultant's fee and travel expenses, where applicable. Spend of FCDO funds will be clearly disaggregated from other donor funds.
- (3) Within 3 months of the project completion date the Implementing Partner will submit a final report to the FCDO containing a summary of activities and outputs, including an assessment against project indicators, and a breakdown of all project expenditure.
- (4) 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.
- (5) Any unspent funding remaining at the scheduled end of the project will be returned to the FCDO unless specifically decided between both parties in writing.

5. Aid Diversion

- (1) For purposes of this paragraph 5, "Aid Diversion" means any event, including fraud, corruption, bribery (including for purposes of the Bribery Act 2010), theft, terrorist financing, money laundering and other misuse of funds that prevents the funding being directed to the outputs and activities of the project, or funding being directed to the outcomes or recipients intended.
- (2) Participants will inform each other of any actual, suspected or alleged Aid Diversion in the case of the Implementing Partner by immediately contacting the FCDO Fraud and Safeguarding Investigation Team at reportingconcerns@fcdo.gov.uk or +44(0)1355 843747 (where all information will be treated confidentially) or by informing the FCDO staff responsible for managing this memorandum.
- (3) The Participants have a zero tolerance approach towards Aid Diversion, including any associated inappropriate behaviour. Both Participants will fully co-operate with investigations into actual, suspected or alleged Aid Diversion, whether led by the FCDO or the Implementing Partner.
- (4) The FCDO may recover from the Implementing Partner all or part of the funding paid under this memorandum in the event of actual or suspected Aid Diversion.
- (5) The Participants acknowledge their commitment to the international fight against terrorism and the FCDO's policy to seek to ensure that none of its resources are used, directly or indirectly, to provide support to individuals or entities associated with terrorism or crime of any sort. In accordance with this policy, the Implementing Partner will (and will procure that its downstream

partner(s)) make itself aware of, and comply with its obligations under applicable counter terrorist financing and other crime legislation.

6. Due Diligence

- (1) The Implementing Partner will co-operate fully with any due diligence assessment by the FCDO or its agents, before and/or during project implementation, of the Implementing Partner's own internal controls and systems.
- (2) In utilising the funding the Implementing 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. This will include assessing the internal controls and systems of any downstream delivery partners. These assessments will be shared with the FCDO, upon request and should determine the:
 - reliability and integrity of the downstream delivery partners' financial controls, systems and processes;
 - effectiveness and efficiency of downstream delivery partner's project operations;
 - procedures for safeguarding project assets, and;
 - compliance with national legislation, regulation, rules, policies and procedures

7. Accountability and Indemnity

- (1) The FCDO will not be responsible for the activities of any person, organisation or company engaged by the implementing Partner or its agencies as a result of this memorandum, nor will the FCDO be responsible for any costs incurred by the Implementing Partner or its agencies in terminating the engagement of the aforementioned persons, organisations or companies.
- (2) Although accountable to the FCDO for the appropriate use of funding and delivery of project objectives, the Implementing Partner will retain ultimate responsibility for the use of funding and will as such be solely responsible for any adverse effects of aid expenditure that have an undesired or unexpected result upon recipients.

8. Safeguarding and Code of Conduct Clauses

- (1) The Implementing Partner will take all reasonable steps to prevent the sexual exploitation, abuse and harassment of any person linked to the delivery of this memorandum by both its employees and any downstream delivery partner.
- (2) The Participants have a zero tolerance approach towards sexual exploitation, abuse and harassment. The Implementing Partner will immediately contact FCDO Fraud and Safeguarding Investigation Team at reportingconcerns@fcdo.gov.uk or +44(0)1355 843747 to report any credible

suspensions of, or actual incidents of sexual exploitation, abuse or harassment related to this memorandum. The Implementing Partner should assess credibility based on the source of the allegation, the content, and the level of detail or evidence provided. All sexual activity with children (persons under the age of 18) is prohibited, regardless of the age of majority, or age of consent locally.

- (3) The Implementing Partner should also report any credible suspicions of, or actual incidents that are not directly related to this memorandum but would be of significant impact to their partnership with the FCDO or the reputation of the FCDO or UK aid. For example, events that affect the governance or culture of the Implementing Partner, such as those related to senior management, must be reported.
- (4) Both Participants will fully co-operate with investigations into such events, whether led by FCDO or any of its duly authorised representatives or agents, or the Implementing Partner.
- (5) The Implementing Partner will comply with the Supplier Code of Conduct as set out in Annex C and any changes made to that code thereafter from time to time by the FCDO.

9. Termination

- (1) Either Participant may terminate this memorandum at any time by giving at least three (3) months (or a timescale proportionate to the project duration, whichever is shorter) written notice to the other Party.
- (2) The FCDO may end its participation in this arrangement by giving one month's written notice to the Implementing Partner, in the following circumstances.
 - a) Failure to implement the project according to this memorandum
 - b) A significant failure by the Implementing Partner to meet any of the commitments in this memorandum
 - c) Force majeure
 - d) Where any changes occur which, in the opinion of the FCDO, impair significantly the value of the contribution of the project towards the programme objective.
- (3) 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 Participants as being required to finalise activities, will be returned to the FCDO.

10. Equipment

On completion of the project, any items of equipment with an initial value of one thousand pounds (£1,000) or more and a useful life of more than one year at the end of the grant funding period will remain the property of the FCDO unless the Participants make an alternative arrangement. Where such an arrangement is made, it will be agreed by both Participants and recorded in writing.

11. Transparency

- (1) The FCDO may request information about the implementation and operation of the project. Where the FCDO makes such a request, the FCDO will provide the Implementing Partner with the reason for its request.
- (2) The Implementing Partner is committed to the principle of transparency and, subject to any applicable law, the Implementing Partner will make available to the FCDO such information, as may be requested, relating to the implementation and the operations of the project.

12. Intellectual Property

Any intellectual property rights which arise in the course of the implementation of the project by the Implementing Partner will belong to the Implementing Partner, provided that the Implementing Partner hereby grants the FCDO a worldwide, perpetual, royalty free licence to use such intellectual property rights for any purpose directly connected with the project.

13. Dispute settlement

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

14. Contact information

The Implementing Partner will provide the FCDO with contact details for its representative with responsibility for addressing normal day to day enquiries.

15. Responsibility for Staff

- (1) The Implementing Partner will provide adequate supervision of and care for its staff, authorised agents and representatives.
- (2) If the Implementing Partner's staff or authorised agents and representatives are based in living or working accommodation owned/occupied or controlled by the FCDO or using transport or other facilities provided by the FCDO,

these individuals will observe such instructions and requirements of accommodation and access to facilities as apply to FCDO staff.

- (3) In the event of paragraph 15(2), including where Implementing Partner staff use FCDO managed or controlled facilities in a manner that is consistent with the purposes for which funding is provided under this memorandum, it does not discharge the Implementing Partner's more general and continuing obligations the Implementing Partner has to these individuals in its role as an employer or as a result of any other relationship.

16. Amendment of this memorandum

Any amendment to this memorandum will be decided upon by both Participants, recorded in writing and attached to this memorandum.

Signed on behalf of the FCDO:

Signed on behalf of the
Implementing Partner:

Signature:

Signature:

Name:

Name:

Position:

Position:

Date:

Date:

Annex A The Project Terms of Reference

[Insert Terms of Reference]

WITHDRAWN

Annex B Activity Based Budget

[Insert Activity Based Budget]

WITHDRAWN

1) Value for Money and Governance

Value for Money is an essential requirement of all Authority commissioned work. All Suppliers must seek to maximise results, whilst driving cost efficiency, throughout the life of commissioned programmes. This includes budgeting and pricing realistically and appropriately to reflect delivery requirements and levels of risk over the life of the programme. It also includes managing uncertainty and change to protect value in the often-challenging environments that we work in.

Suppliers must demonstrate that they are pursuing continuous improvement to reduce waste and improve efficiency in their internal operations and within the delivery chain. The Authority expects suppliers to demonstrate openness and honesty and to be realistic about capacity and capability at all times, accepting accountability and responsibility for performance along the full delivery chain, in both every-day and exceptional circumstances.

2) Ethical Behaviour

Suppliers and their Sub-Contractors act on behalf of government and interact with citizens, public sector/third sector organisations and the private sector. These interactions must therefore meet the highest standards of ethical and professional behaviour that upholds the reputation of government.

Arrangements and relationships entered into, whether with or on behalf of the Authority, must be free from bias, conflict of interest or the undue influence of others. Particular care must be taken by staff who are directly involved in the management of a programme, procurement, contract or relationship with the Authority, where key stages may be susceptible to undue influence. In addition, Suppliers and their Sub-Contractors must not attempt to influence an Authority member of staff to manipulate programme monitoring and management to cover up poor performance.

Suppliers and their Sub-Contractors must declare to the Authority any instances where it is intended that any direct or delivery chain staff members will work on Authority funded business where those staff members have any known conflict of interest or where those staff members have been employed by the Crown in the preceding two years. Suppliers and their Sub-Contractors must provide proof of compliance with the HMG approval requirements under the Business Appointment Rules.

3) Transparency and Delivery Chain Management

The Authority requires full delivery chain transparency from all Suppliers. All delivery chain partners must adhere to wider HMG policy initiatives including the support of micro, small and medium sized enterprises (MSMEs), prompt payment, adherence to human rights and modern slavery policies and support for economic growth in developing countries.

Suppliers must engage their delivery chain supply partners in a manner that is consistent with the Authority's treatment of its Suppliers. This includes, but is not limited to: pricing; application of delivery chain risk management processes; and taking a zero tolerance approach to tax evasion, corruption, bribery and fraud in subsequent service delivery or in partnership agreements.

4) Environmental Issues

Suppliers must be committed to high environmental standards, recognising that the Authority's activities may change the way people use and rely on the environment, or may affect or be affected by environmental conditions. Suppliers must demonstrate they have taken sufficient steps to protect the local environment and community they work in, and to identify environmental risks that are imminent, significant or could cause harm or reputational damage to the Authority.

5) Terrorism and Security

Suppliers must implement due diligence processes to provide assurance that UK Government funding is not used in any way that contravenes the provisions of applicable terrorism legislation.

6) Safeguarding, Social Responsibility and Human Rights

Safeguarding, social responsibility and respect for human rights are central to the Authority's expectations of its Suppliers. Suppliers must ensure that robust procedures are adopted and maintained to eliminate the risk of poor human rights practices within their complex delivery chain environments funded by the Authority. These practices include sexual exploitation, abuse and harassment; all forms of child abuse and inequality or discrimination on the basis of race, gender, age, religion, sexuality, culture or disability. Suppliers must place an emphasis on the control of these and further unethical and illegal employment practices, such as modern day slavery, forced and child labour and other forms of exploitative and unethical treatment of workers and aid recipients. The Authority will expect a particular emphasis on management of these issues in high risk fragile and conflict affected states (FCAS), with a focus on ensuring remedy and redress if things go wrong