MEMORANDUM OF UNDERSTANDING
BETWEEN
THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)
AND
THE UNITED NATIONS HUMAN SETTLEMENTS
PROGRAMME (UN-HABITAT)

This Memorandum of Understanding ("MOU") is entered into by the United Nations Development Programme ("UNDP"), a subsidiary organ of the United Nations, an intergovernmental organization established by its Member States, and the United Nations Human Settlements Programme ("UN-HABITAT"), hereinafter referred to as the "Parties";

WHEREAS UNDP's Strategic Plan 2008-2011, based on General Assembly Resolution 62/208, promotes an effective, efficient and coherent UN, focusing its programmatic contributions towards poverty reduction and the achievement of the MDGs/IADGs, through democratic governance, crisis prevention and recovery, and environment and sustainable development. UNDP embraces national ownership, capacity development, effective aid management, gender equality and empowerment of women, and south-south cooperation;

WHEREAS UNDP has the capacity to provide a host of administrative, financial and logistical support services at the country level for partner UN agencies;

WHEREAS the management of the Resident Coordinator system is firmly anchored in UNDP, providing enhanced UN coordination at country level under the guidance of the United Nations Development Group (UNDG);

WHEREAS half the world's poor live in urban areas and the mission of UN-HABITAT is to coordinate the implementation of the Habitat Agenda, promoting sustainable urbanization through policy formulation, institutional capacity-building, technical cooperation and advocacy and to monitor and improve the state of human settlements worldwide;

WHEREAS UNDP and UN-HABITAT already have a demonstrated long history of cooperation exemplified by the status of UN-HABITAT, since 1978, as an Executing Agency of UNDP under the Executing Agency Agreement between UNDP and UN-HABITAT, as agreed in an exchange of letters between the Parties;

WHEREAS the Parties share similar development objectives to help meet the Millennium Development Goals (MDGs) and cooperate in areas of mutual concern to enhance the effectiveness of their development efforts along with UN and other partners;
WHEREAS UNDP and UN-HABITAT signed an MOU on 30 September 2002 which was extended through October 2006, expired by its own terms, and was successfully implemented. The Parties have agreed to enter into a successor arrangement as set forth herein, regarding the HABITAT Programme Managers (HPMs) and the parties’ partnership.

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

Article I
Purpose

1.1 The purpose of this MOU is to provide a framework of cooperation and facilitate collaboration between the Parties, on a non-exclusive basis, to ensure host government access to UN expertise in areas of common interest based on national priorities and development plans and resulting United Nations Development Assistance Framework (UNDAF) outcomes.

Article II
Areas of Cooperation

2.1 The Parties agree to cooperate in areas of common interest, further to and within each Organization’s respective mandate, national priorities and UN programme outcomes described in the UNDAF, which could include:

i. Effective advocacy and monitoring of urban issues and partnerships
ii. Promotion of participatory urban planning, management and governance
iii. Promotion of pro-poor land and housing
iv. Environmentally sound basic urban infrastructure and services
v. Strengthened human settlement finance systems

Article III
Provision of Administrative Services and Reimbursable Support Service Arrangements

3.1 UN-HABITAT may inform UNDP that it wishes to obtain office space and administrative services, including the procurement of goods, equipment and services and the recruitment of national staff and non-staff personnel, in a particular UNDP Country Office (CO). If UNDP has at its disposal adequate office space and the capacity to provide the necessary administrative services, the Parties shall enter into a Country Level MOU to set forth in detail the arrangements related to UNDP’s support for UN HABITAT. In cases where office space is provided to UNDP free of rent, UNDP will provide suitable office space to UN-HABITAT on a rent-free basis when possible. The equipment and furnishings to be provided by UNDP shall be
specified in the respective Country Level MOU. UNDP Resident Representative (RR) shall have full authority for the overall physical management of the premises, including the UN-HABITAT office space, and UN-HABITAT staff and locally/nationally recruited non-staff personnel shall at all times be obliged to follow instructions given by the RR/Country Director (CD), which relate to health, safety, and security.

3.2 When the placement of an HPM is agreed between UN-HABITAT and the host government, in line with national and UNDAF priorities, UNDP, on behalf of UN-HABITAT, may recruit and administer national HPMs and other national non-staff personnel employed to provide services to promote and implement UN-HABITAT activities. Such national staff or non-staff personnel shall be recruited and contracted on UNDP letters of appointment with service limited to and funded by UN-HABITAT or under a contract, as applicable. Such national staff and non-staff personnel shall be subject to all applicable UNDP regulations, rules, policies and procedures. Once approved by the Parties, the HPM will be appointed by UNDP and placed in the selected UNDP CO, or exceptionally, in another appropriate location as agreed with Government.

3.3 Contractual claims, rebuttals, appeals and disciplinary proceedings involving national staff and non-staff personnel contracted by UNDP, will be handled by UNDP in accordance with UNDP regulations, rules, policies and procedures. UN-HABITAT will cooperate and provide all necessary inputs. The direct costs of all legal proceedings undertaken by UNDP will be reimbursed by UN-HABITAT.

3.4 The HPM will report to the UNDP RR on administrative matters and to UN-HABITAT Chief of the Regional Office on programmatic issues. HPM will represent UN-HABITAT in the United Nations Country Team (UNCT) when programming issues are discussed. The HPM might be called by the Resident Coordinator (RC) to attend specific UNCT or other meetings as appropriate or to participate on UN thematic or other inter-agency working group(s) when programme outputs are being designed, discussed, monitored, or reported. The RC may invite the UN-HABITAT sub-regional Senior Settlements Advisor or Chief of Regional Office to participate on the UNCT.

3.5 Recovery of costs incurred by UNDP for administrative and support services provided to UN-HABITAT at the country level shall be in compliance with the applicable UNDP Executive Board decisions relating to cost recovery.

3.6 Four different cost reimbursement arrangements and fee systems will regulate the recovery of costs incurred by UNDP COs and central units in connection with service provision to UN-HABITAT. Such arrangements are as follows:

a) For locally-provided services that due to their nature are provided in standard or uniform fashion across the network of UNDP COs, the Universal Price List (UPL) shall regulate the recovery of the UNDP CO’s costs. The UPL is updated on a yearly basis and
is subject to methodological reviews to ensure its effectiveness. The outcome of such reviews might entail price differentials which shall be communicated to UN-HABITAT promptly once clarified.

b) The cost recovery fee for locally-provided services that due to their nature cannot be standardized across different UNDP COs, or services that vary in scope each time they are provided and that are not included in the UPL (e.g. IT support services, airport pickup, pouch administration, programmatic services), will be specified locally using either prevailing local market prices and best faith workload estimates and/or cost of input. To the extent possible, these services should be managed through the Common Service Account (CSA), based on local arrangements, similar to arrangements for premises, utilities, security, etc. All ad-hoc/other services, that are neither part of the UPL nor part of the CSA, will be specified locally.

c) For services that are provided by units other than UNDP COs, the cost recovery arrangements will be in line with existing mechanisms in use by UNDP. These include the established fees in use to recover the Global Payroll Support costs provided by UNDP Global Payroll Support unit as well as the appropriate portion of the indirect costs provided by the Office of Finance and Administration, Office of Information Systems and Technology, and Office of Human Resources providing oversight, monitoring, reporting and policy advice where applicable.

d) Other ad-hoc services provided by UNDP at UN-HABITAT request is to be detailed in a separate Service Level Agreement (SLA) to be concluded for each service line, the general principle of full cost reimbursement will apply.

Article IV
Programme Implementation

4.1 Collaboration between the Parties shall be subject to specific agreement, including, as appropriate, relevant project documents and annual work plans which shall set out in detail the roles and functions of each of the Parties linking project outputs directly to specific UNDAF outcomes and in accordance with UNDG CCA/UNDAF guidelines.

4.2 UN-HABITAT may provide technical inputs to the UNCT for consideration in Poverty Reduction Strategy Papers (PRSPs), when requested by the host government, and in the preparation of Common Country Assessments (CCAs), UNDAFs, and other UN inter-agency coordination mechanisms at country level as determined by the RC.

4.3 The HPMs shall support the execution of programmes and projects undertaken by UN-HABITAT, either singly or jointly, with UNDP, other agencies operating in the country, and other development partners. The RC will promote programming which directly supports national priorities and UNDAF outcomes, including the Habitat Agenda, as appropriate. The HPM will
advocate for those priorities contained in the Habitat Agenda relevant to the host country, under the guidance of the UNDP RR and the direction of the UN-HABITAT Regional Office. The HPM will monitor UN-HABITAT contributions towards meeting UNDAF outcomes and project outputs, in collaboration with UNDP, and will report to the UNCT on these contributions.

4.4 UN-HABITAT results, in line with UNDAF outcomes and along with the other UN agencies operating in country, will be reported on a yearly basis as part of the UN Annual Report. Substantive areas of cooperation and the methods through which collaborative initiatives, strategies and support may be realized between the Parties will be elaborated through focal points from the UNDP Bureau for Development Policy (BDP) and the UN-HABITAT Regional and Technical Cooperation Division. The focal points will monitor the implementation of the MOU and provide regular feedback to their respective institutions. Modifications to programming will be adjusted based on host government and UNCT guidance for the subsequent year.

4.5 In order to implement the programmatic activities envisioned in Article II hereof, the Parties may conclude cost-sharing agreements in accordance with the applicable UNDP regulations, rules, policies and procedures, which shall specify the costs or expenses relating to the activity and how they are to be borne by the Parties. The cost-sharing agreements shall also include a provision incorporating by reference the MOU, which is applicable to the cost-sharing agreements and the projects/programmes financed therefrom.

4.6 With respect to UN-HABITAT projects/programmes, it is understood that all UN-HABITAT activities will be carried out on the basis of project documents/annual work plans agreed between UN-HABITAT and the concerned governments and partners, and in accordance with the applicable UN-HABITAT regulations, rules, policies and procedures.

4.7 The costs of public relations activities relating to the partnership, that are not otherwise addressed by a specific cost-sharing agreement concluded hereunder, will be the responsibility of UN-HABITAT.

4.8 UN-HABITAT shall be responsible for discharging all commitments and obligations with third parties incurred in the course of execution of programme activities.

4.9 Neither Party shall be an agent, representative or joint partner of the other Party. Neither Party shall enter into any contract or commitment on behalf of the other Party and shall be solely responsible for making all payments to and on behalf of its own account, as provided under this MOU and under any cost-sharing agreements.
Article V
Consultation and Exchange of Information

5.1 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. Such arrangements will survive the termination of this MOU and of any agreements signed by the Parties within the scope of this collaboration.

5.2 The Parties shall collaborate fully with each other, and with national authorities and partners concerned in the execution of activities with a view to the realization of the results described in project documents and/or annual work plans. The Parties shall consult with each other on a regular basis on matters which might affect the successful completion of any activities. The Parties shall review the progress of activities being carried out and plan future activities as deemed appropriate considering the national priorities and UNDAF outcomes. The RR/CD will report such progress to the UNCT on a regular basis.

Article VI
Visibility

6.1 The Parties agree to acknowledge the role and contribution of each Organization in all public information documentation relating to instances of such cooperation and use each Organization’s name and emblem in documentation related to the cooperation in accordance with the current policies of each Organization and with UNDG policies.

Article VII
Term, Termination, Amendment

7.1 The proposed cooperation under this MOU is non-exclusive. This MOU shall enter into effect upon its signature by both Parties and shall remain valid until terminated. Either Party may terminate this MOU by giving not less than sixty days notice in writing to the other Party. Such termination shall become effective on the date specified in the termination notice.

7.2 In the event of termination of the MOU, any cost-sharing or project cooperation agreements, and any project documents concluded pursuant to this MOU, may also be terminated in accordance with the termination provisions. In such cases, the Parties shall take the necessary steps to ensure that the activities carried out under the MOU, any cost-sharing agreements, or project documents are brought to a prompt and orderly conclusion in
accordance with the respective regulations, rules, policies and procedures of the Parties, as applicable.

7.3 This MOU may be amended only by mutual written agreement of the Parties.

7.4 This MOU shall be reviewed on an annual basis. The Parties may, by exchange of letters, amend any of the provisions of this MOU or enter into supplementary arrangements designed to extend or reduce the scope of the present MOU.

Article VIII
Notices and Addresses

8.1 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, certified mail, or overnight courier, 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: Olav Kjørven  
Assistant Secretary-General and Director  
Bureau for Development Policy  
United Nations Development Programme  
304 East 45th Street  
New York, NY 10017, USA

For UN-HABITAT: Anna Tibaijuka, Executive Director  
P.O. Box 30030  
0100 Nairobi, Kenya

Article IX
Miscellaneous

9.1 This MOU and any related agreements and project document comprise the complete understanding of the Parties in respect of the subject matter in this MOU and supersede all prior agreements relating to the same subject matter. Any dispute over the interpretation or application of any provision herein contained shall be settled through negotiations or by such other means as the Parties shall mutually agree. Any liability arising out of UNDP’s performance of functions set forth in this MOU shall be the responsibility of UN-HABITAT which shall hold harmless and indemnify UNDP against all claims arising thereof except for the acts and
omissions of UNDP arising from gross negligence or willful misconduct. Failure by either Party to enforce a provision of this MOU shall not constitute a waiver of any other provision of this MOU. The invalidity or unenforceability of any provision of this MOU shall not affect the validity or enforceability of any other provision of the MOU.

Article X
Entry into Force

10.1 This MOU may be signed in counterparts, each of which shall be deemed an original and both of which duly executed shall constitute one entire document, and shall enter into force and effect on the date ("Effective Date") in which it is duly signed by both parties.

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

FOR UNDP:  

\[ Signature \]

Name  

Administrator

Title  

13-10-2008

Date

FOR UN-HABITAT:

\[ Signature \]

Name  

Executive Director

Title  

13-10-2008

Date