Memorandum of Understanding
between
The directorate General
for Development Cooperation
OF
THE MINISTRY OF FOREIGN AFFAIRS OF ITALY
and
UNICEF, the United Nations Children’s Fund

THE DIRECTORATE GENERAL FOR DEVELOPMENT COOPERATION (DGCS) OF
THE MINISTRY OF FOREIGN AFFAIRS OF ITALY and UNICEF, THE UNITED NATIONS
CHILDREN’S FUND ("UNICEF", together with DGCS the "Parties"),
RECALLING that UNICEF is an international inter-governmental organisation established
by the General Assembly of the United Nations by resolution No. 57(I) of 11 December
1946 as a subsidiary organ of the United Nations and that, in accordance with its Charter
and Mission Statement, UNICEF works with governments, civil society organisations and
other partners in more than one hundred and sixty countries to advance children’s rights to
survival, protection, development and participation, and is guided by the Convention on the
Rights of the Child.
RECOGNIZING that UNICEF is entirely funded by voluntary contributions from, among
others, Member States of the United Nations.
RECALLING FURTHER the significant support given to UNICEF by the Government and
people of Italy for many years.
CONSIDERING the wish expressed by the DGCS to strengthen the cooperation between
UNICEF and itself and to make funds available to UNICEF (in order thereby to contribute to
the global and country-specific programme objectives of the organisation) on the basis of
the Italian Law No. 49/87 on Development Cooperation, the Charter of Commitments on
Child Rights and the Eradication of Child Exploitation, the international development goals
as defined in the 1996 Development Assistance Committee Report "Shaping the 21st
century" and the Directorate General for Development Cooperation Guidelines on
development cooperation on minors.
CONSIDERING the Italian National Plan on minors.
RECALLING the International Labour Organisation Convention No.182 on the Worst
Forms of Child Labour.
CONSIDERING FURTHER that UNICEF welcomes this strengthened co-operation with
DGCS.
RECOGNIZING that the participation of the Ministry of Foreign Affairs in UNICEF’s Junior
Professional Officer programme as well as the Government of Italy’s support for UNICEF’s
International Child Development Centre in Florence are covered by separate
arrangements,
Have entered into the following arrangement:

ARTICLE 1

Annual Contribution to UNICEF Regular Resources
PLEDGING OF ANNUAL CONTRIBUTION

1. Consistent with UNICEF Executive Board Decision 1999/8, during the first
regular session of the UNICEF Executive Board for each calendar year DGCS
will, insofar as it is able to do so, advise UNICEF of its planned voluntary
contribution to UNICEF Regular Resources for that year. To the extent
possible, it will at the same time provide an indication of the contribution to
UNICEF for the following year, and a tentative contribution for the year thereafter.

2. This annual contribution will be confirmed in writing by the Permanent Representative of Italy to the United Nations no later than April of each year.

FINANCIAL MATTERS

3. The annual contribution will be stated in Lira or in Euros.

4. The annual contribution will be paid at or about the time that the annual contribution is confirmed in writing by the Permanent Representative of Italy to the United Nations. The annual contribution will be paid in Euros and deposited in such account as UNICEF may designate in mutual agreement with DGCS.

USE OF ANNUAL CONTRIBUTION

5. UNICEF will apply the annual contribution to its Regular Resources and make use of the annual contribution in accordance with its Financial Regulations and Rules. UNICEF accounts for the use of the regular resources on an annual basis in the Executive Director's Annual Report to the Executive Board. UNICEF also provides the Executive Board with its Biennial Financial Report and Audited Financial Statements.

ARTICLE 2

Support for UNICEF's Programmes and Projects Through Contributions to UNICEF's Other Resources

1. Recognising that UNICEF seeks to maximise financial support for its work through annual contributions by Member States to its Regular Resources, DGCS nonetheless agrees to entertain requests from UNICEF for additional financial support for specific UNICEF projects or programmes that have been approved by the UNICEF Executive Board subject to additional funding ("Projects"). The provisions of this ARTICLE 2 will apply to such financial support.

2. Financial support provided pursuant to this ARTICLE 2 (a "Contribution") may be funded through additional voluntary contributions or through the multi-bi mechanism as decided upon by DGCS.

SELECTION, ACCEPTANCE, COMMITMENT AND RECOGNITION

3. UNICEF may submit requests for such financial support to the DGCS, taking into consideration the country/regional/sectoral priorities and suggestions of DGCS. Such requests will be officially submitted to the Permanent Mission of Italy to the United Nations. A request under this Article 2 that relates to a country where there is an Italian bilateral assistance programme may have
been discussed with the local representative of DGCS in that country prior to being submitted to the Permanent Representative of Italy to the United Nations.

4. DGCS, through the Permanent Representative of Italy to the United Nations, will endeavour to inform UNICEF of its decision regarding a request for such financial support within the shortest possible time following internal review by the DGCS.

5. Where DGCS agrees to provide a Contribution for a Project, the Parties will enter into a specific agreement relating to the contribution for that project in the form attached to this Memorandum of Understanding as Annex 1 (a “Project Arrangement”).

6. Each Contribution will be expressed in Italian Lire or Euros with a US$ equivalent as set out in each Project arrangement. Income recognition by UNICEF will be expressed in US$ based on the UN Exchange Rate in operation on the date of receipt of funds.

7. Each Contribution will include an amount for UNICEF’s indirect programme support costs, in accordance with UNICEF Executive Board Decision 1998/21 on the UNICEF recovery policy. The prevailing rate is 5 per cent and is included in other resources funding proposals as a separate budget line for “indirect programme support costs”.

8. UNICEF will afford appropriate recognition to DGCS for each Contribution, and acknowledgement in UNICEF’s reports on the relevant Project, as well as in other materials and communications.

FINANCIAL MATTERS: ADMINISTRATION OF CONTRIBUTIONS

9. Each Contribution will be paid in Euros and deposited in the UNICEF Account as UNICEF may designate in mutual agreement with DGCS. In consultation with UNICEF, a Contribution may be made in the local currency of the country where the Project is to be implemented, applying the UN Exchange rate in operation on the date of receipt of the Contribution.

10. Where DGCS has agreed to provide a Contribution for a Project:

   a. It is understood that UNICEF will not be obliged to commence or to continue the implementation of the Project until a Project Arrangement has been entered into and funds payable under
such Project Arrangement have been deposited into the UNICEF Account (or such other account as UNICEF may designate) in a timely manner.

b. UNICEF will make all reasonable efforts to ensure timely and full implementation of the Project and will carry out the Project with due diligence and efficiency and in accordance with the provisions of the Project Arrangement.

c. The Contribution will be administered by UNICEF as an Other Resources contribution (formerly known as Supplementary Funds contribution), in accordance with its Financial Regulations and Rules, and its policies and directives. Any attributable interest earned on the Contribution will be used in accordance with UNICEF Financial Regulations and Rules and as indicated in Executive Board Decision 1998/21.

d. Procurement of goods and services financed by the Contribution will be carried out in accordance with UNICEF’s rules, regulations and procedures, including those relating to international competitive bidding, account being taken also of other relevant factors such as time of delivery and efficiency and reliability of the goods and works. Italian suppliers of goods and services will be given the same opportunities to participate in the bidding as other suppliers. Local and regional suppliers of goods and services will be encouraged to submit tenders.

e. Where it is necessary to engage additional personnel or consultants to assist with the implementation of a Project, UNICEF’s rules, regulations and procedures for recruitment of personnel and consultants will be applied. Italian candidates will be given due consideration in the recruitment process in accordance with the above mentioned rules and procedures.

f. The balance, if any, of the Contribution remaining unallocated or uncommitted upon completion of the activities and settlement of all commitments entered into under the applicable Project Arrangement will be refunded to DGCS or otherwise dealt with as mutually agreed.

II. UNICEF will keep proper financial records in accordance with its Financial Regulations and Rules. UNICEF will maintain separate ledger records in
12. All financial accounts and statements will be expressed in United States Dollars recorded at the UN rate of exchange applicable at the date of receipt of funds.

REPORTING

1. UNICEF will provide DGCS with an annual programme report on the results obtained with the Contribution together with a financial utilisation report on the use of the Contribution. This annual programme report will be analytical in approach and include a presentation of challenges and shortcomings, if any, and discuss possible remedies including proposed plan of action for the following year. The report will be delivered by the end of January of the year following the calendar year to which the report relates.

2. UNICEF will also provide DGCS with an annual cumulative financial statement of account, certified by the Comptroller of UNICEF, showing income and expenditures as of 31 December of the previous financial year with respect to other Resources contributions provided by the Government of Italy. The financial statement will be provided by the end of August of the year following the calendar year to which the statement relates.

3. UNICEF will also submit to DGCS a final individual financial statement certified by the Comptroller within 18 months after the date of expiration of each project arrangement.

4. Representatives of DGCS may participate in review, monitoring and evaluation missions relating to programmes/projects financed pursuant to a Project Arrangement if such agreement is part of the Project Arrangement and costs related thereto fully or partially borne by DGCS.

ARTICLE 3

Support for UNICEF’s Emergency Humanitarian Assistance

1. In addition to requests covered by ARTICLE 2 of this Memorandum of Understanding DGCS will, to the extent possible, entertain requests for financial support for emergency humanitarian assistance provided by UNICEF.
2. In accordance with established practice, an annual Bilateral Emergency Fund agreement may be arranged for the use of these funds to support emergency humanitarian interventions in the case of rapid onset emergencies as mutually agreed to on a case by case basis between DGCS and UNICEF.

3. For complex humanitarian and emergency situations, UNICEF will include its requirements in the Consolidated Appeals prepared under the coordination of the United Nations Office of the Coordinator of Humanitarian Affairs (OCHA) or clear with OCHA any UNICEF specific emergency appeal, as per the provision of General Assembly Resolution 46/186 of 19 December 1991. These consolidated appeals (CAPs) will normally be presented in November for the following calendar year, except as circumstances may require for new emergency situation or amendments to existing programmes, which may occur during the calendar year.

4. UNICEF will also, within two months after the launch of the Consolidated appeals, provide a more detailed description of all its programmes as contained in the CAP, as well as from time to time, for new emerging situations.

5. DGCS will seek to provide an early indication of its contributions towards the UNICEF requirements contained in the Consolidated Appeals.

6. DGCS will, to the extent possible, contribute towards the appeals, without earmarking down to sectoral levels in order to provide maximum flexibility in using funds for the most urgent needs in rapidly shifting emergency situations.

7. Financial support received from DGCS in response to emergency appeals will be "Contributions" under ARTICLE 2 of this Memorandum of Understanding and will be governed by the provisions of ARTICLE 2, mutatis mutandis, other than those relating to progress reporting. Annual comprehensive and general progress reports on emergency Contributions received in respect of UNICEF supported emergency programmes will be submitted to DGCS through the Permanent Mission of Italy to the United Nations in the first quarter of each year covering the period January to December of the previous calendar year. The report will be accompanied by a summary of contributions from various sources and a fund utilisation broken down by sector.

ARTICLE 4

Audit of UNICEF’s Books and Records
UNICEF’s use of funds provided to UNICEF by DGCS will be subject to internal and external auditing procedures as provided for in UNICEF’s Financial Regulations and Rules.

ARTICLE 5
Cooperation and Consultation

1. The Ministry of Foreign Affairs and DGCS will regularly inform UNICEF about the policy priorities of the Italian Development Co-operation Programme. UNICEF will regularly inform DGCS about its policies and programmes.

2. DGCS and UNICEF will hold consultative meetings, at least once a year, on all matters arising out of this Memorandum of Understanding and on other matters of common interest to the Parties in the administration of UNICEF programmes and projects. The agenda may include:

   a. review of policy developments of both Parties;

   b. review of ongoing projects and programmes funded by the DGCS;

   c. identification of areas/themes for strengthened partnership between both parties be it through voluntary multilateral contributions or within the framework of the Government of Italy’s bilateral development programmes;

   d. Other matters of common interest.

3. Where a Contribution received through the multi-bi framework is for a Project in a country where there is an Italian Co-operation office, the respective UNICEF country office will keep the head of the Italian Co-operation Office informed of project progress and will, as appropriate, invite the DGCS Representative in that country to participate actively in periodic project reviews and discussions with government counterparts on project progress and implementation.

ARTICLE 6
Non-governmental Organisations
UNICEF recognises the important contribution that legally established non-governmental organisations (NGO’s) can make to the implementation of development assistance
projects. UNICEF, to the extent possible, within its financial rules and regulations and administrative directives, endeavours to involve NGO's in the implementation of UNICEF assisted programmes/projects. The decision by UNICEF concerning the involvement of NGO's takes due consideration of the experience and professionalism of these, acceptance by the recipient Government and the adherence to UNICEF policies and development objectives approved by the Executive Board. DGCS will undertake to assist UNICEF in any efforts by UNICEF to work with NGO's organised and existing under the laws of Italy.

ARTICLE 7
Decentralised Cooperation with Local Governments
DGCS and UNICEF agree that they will jointly explore possibilities for strengthening and expanding development partnerships between UNICEF, DGCS, and Italian local authorities interested in supporting UNICEF.

ARTICLE 8
Miscellaneous

1. In matters relating to the implementation of this Memorandum of Understanding, including any Project Arrangements and arrangements concluded pursuant to this Memorandum of understanding, the Director General, DGCS, or any person designated by her/him will represent DGCS and the Executive Director, UNICEF, or any person designated by her/him, will represent UNICEF.

2. This Memorandum of Understanding will become effective as of the date of signature by the authorised representatives of both Parties.

3. The Parties may amend this Memorandum of Understanding by an Exchange of Letters, and may enter into supplementary arrangements for the implementation of this Memorandum of Understanding as may be found desirable in the light of experience.

4. Correspondence pertaining to this Memorandum of Understanding, including the official submission of funding requests, Projects proposals, reports, payment requests and financial statement from UNICEF will be forwarded through the Permanent Mission of Italy.
5. This Memorandum of Understanding will enter into force for a period of 3 years, renewable with an Exchange of Letters by the Parties. At the end of this three-year period the Parties will consider an ex-post evaluation on the functioning of the Memorandum of Understanding.

6. Either Party may terminate this Memorandum of Understanding at any time by giving not less than three (3) months written notice. Termination of this Memorandum of understanding will not terminate any pre-existing Project Arrangement.

7. Ownership of such supplies and equipment financed from funds provided by DGCS pursuant to this Memorandum of Understanding or any Project Arrangement will be transferred to the appropriate Government Ministry/counterpart in accordance with the applicable Basic Co-operation Agreement or as otherwise agreed between UNICEF and the appropriate Government Ministry/counterpart.

8. Both Parties agree that in the event of any controversy or dispute arising from or in connection with the implementation of this Memorandum of Understanding, every effort will be made to amicably reach a settlement by direct negotiation.

9. Nothing in or relating to this Memorandum of Understanding of any Project Arrangement will be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations and its subsidiary organs, including UNICEF, whether under the Convention on the Privileges and Immunities of the United Nations, or otherwise, and no provision of this Memorandum of understanding or any Project Arrangement will be interpreted or applied in a manner, or to an extent, inconsistent with such privileges and immunities.

IN WITNESS WHEREOF THE PARTIES HERETO, EACH ACTING THROUGH ITS REPRESENTATIVES DULY AUTHORISED THERETO, HAVE SIGNED THIS MEMORANDUM OF UNDERSTANDING IN TWO ORIGINAL TEXTS IN THE ENGLISH LANGUAGE.

ROME, 5th of APRIL 2000

For the United Nations
Children's Fund Ministry
The Executive Director
(Carol Bellamy)

For the DGCS of Foreign Affairs, Italy
The Director
(Min. Vincenzo Petrone)
Annex I (Project Arrangement)

[PERMANENT MISSION OF ITALY TO THE UNITED NATIONS]

[1. DATE]

Ms. Cecilia Lotse
Director,
Programme Funding Office
UNICEF, 3 United Nations Plaza
New York, NY 10017

Re: [2. NAME OF PROJECT]

Dear Ms. Lotse:

I am writing on behalf of the Director General for Development Cooperation of my Government's Ministry of Foreign Affairs ("DGCS") to indicate the DGCS's agreement to make an Other Resources contribution to UNICEF, the United Nations Children's Fund ("UNICEF") in order for UNICEF to implement the [3. NAME OF PROJECT] project (the "Project"). The Project is more fully described in the project document set out in ANNEX 1 (the "Project Arrangement").

The contribution will be of an amount of [4. AMOUNT IN WORDS (AMOUNT IN FIGURES)] [5. CURRENCY], and should be used exclusively for the purposes of the project and in accordance with the attached project document.

The Contribution will be transferred to UNICEF in (indicate Euros or US$) and deposited in the following UNICEF Account (1) … [6. ACCOUNT DETAILS].

UNICEF's principal contact at DGCS in connection with this matter will be [7. CONTACT DETAILS].

The Contribution is made under the terms and conditions set out in the Memorandum of Understanding between DGCS and UNICEF dated [8. DATE OF MEMORANDUM OF UNDERSTANDING], and such other terms and conditions as are set out in Attachment 2.

Please confirm your agreement with the foregoing, on behalf of UNICEF, by signing, dating and returning to us the enclosed copy of this letter. This letter will constitute a Project Arrangement, as referred to in the Memorandum of Understanding, once countersigned by UNICEF. This Project Arrangement will become effective upon receipt by the Permanent Mission of Italy to the United Nations of the copy countersigned by you.

THE PERMANENT MISSION OF ITALY TO THE UNITED NATIONS

[9. NAME]
[10. TITLE]
AGREED:
UNICEF, the United Nations Children’s Fund
By _______________________

[11. NAME]
[12. TITLE]
[13. DATE]

1. The Unicef account to be mutually agreed in advance
Attachment 1 of Project Arrangement
(this would be the Project Document and is an integral part of Annex I – Project Arrangement)

Attachment II of Project Arrangement
(this is an integral part of Annex I; to be used only as appropriate)

ADDITIONAL TERMS AND CONDITIONS (1)

Payment of the Contribution (2)

1. The Contribution will be paid in….[14. NUMBER IN WORDS (NUMBER IN FIGURES)] …consecutive installments as per the following schedule:

<table>
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<tr>
<th>Date of first yearly installment</th>
<th>Amount US$</th>
<th>Amount Euros</th>
<th>upon signature of the PA</th>
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Total:

2. The first installment will be paid upon receipt by the Permanent Mission of Italy to the United Nations of a copy of this Project Arrangement signed by both Parties. The subsequent installments will be released upon delivery by UNICEF of the annual reports contemplated in paragraph 13 of ARTICLE 2 of the Memorandum of Understanding.

3. It is understood that the above schedule of deposits is based on the planned implementation schedule and that it may, on the basis of disbursement rates as reflected in the certified cumulative financial statements, be adjusted to reflect actual progress made in the programme/project.

4. This Project Arrangement will be for a period of …[15. PERIOD IN WORDS (PERIOD IN FIGURES)] …years, beginning on the date of receipt of funds from the DGCS in the UNICEF Account. UNICEF can enter into commitments against the Contribution up to the final day of the validity period for the Project Arrangement. Disbursements against these commitments may be processed for an additional six (6) months after that date. The parties may amend extend the validity period of this Project Arrangement, if necessary, through an exchange of letters.
1. This Attachment would only be used if applicable.
2. For use only where the Contribution will be paid in tranches not in a lump sum.