

MEMORANDUM OF UNDERSTANDING

Between

The Rural Municipality of Banphikot

and

Nepal Climate Change Support Programme – Phase 2

1. This Memorandum of Understanding shall be read in conjunction with the following documents that constitute the operational framework for the delivery of the NCCSP2 programme supported by its Technical Assistance agent Mott MacDonald Limited (NCCSP2 TA):
 - a. "MoU for financial aid (On-budget, off-treasury) and technical cooperation between the Government of the United Kingdom of Great Britain and Northern Ireland acting through Department of International Development (DFID) and The Government of Nepal" for Climate Smart Development Programme dated 24 May 2017.
 - b. Relevant Federal Democratic Republic of Nepal regulatory frameworks
 - c. NCCSP2 Operational Guidelines, describing the roles, responsibilities and applicable procedures in more detail (Annex II)
2. The Technical Assistance arrangements and the purpose for which the Funds will be used are set out in this Memorandum of Understanding (MoU) and its Annexes, collectively referred to as "this Arrangement".
3. In Climate Resilience Development Planning (CRDP), the signatories agree to follow policy direction provided under the Local Adaptation Plans for Action Framework (2019) and the National Climate Change Policy (2019).
4. The MoU will cover the Fiscal Year 2076/77 (i.e. 2019/20).

Roles and Responsibilities

5. Banphikot Rural Municipality as the Implementing Agency:
 - Planning of CRDP schemes ensuring climate change resilient development as part of regular planning and budgeting process
 - Prepare the necessary documents (e.g. Detailed Project Reports, Implementation and monitoring plans, contracts, etc)

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Team Leader,

Technical Assistance for NCCSP



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- Undertake technical and financial due diligence of potential UCs and contractors
- Make funds and resources available from the rural municipality's own budget
- Prepare and issue contracts with UCs and contractors
- Monitor progress of the CRDP schemes, and certify invoices for release of payments by NCCSP2 Fund Manager
- Maintain project records and accounts and provide a copy when they request payment release from NCCSP2

6. NCCSP2 TA (Mott MacDonald Limited):

- Take an active role in programme management and delivery
- Provide information and capacity building to Banphikot Rural Municipality on Climate Change resilience policies and schemes
- Guidance in the preparation of plans, costing and designs of CRDP schemes, including design of quantifiable milestones for payments.
- Quality inspect procurement process of third parties and Contracts between Banphikot Rural Municipality and implementing organisations
- Quality inspect Banphikot Rural Municipality oversight tasks
- Recommend payments based on verification of achievement of milestones (quality/completeness)
- Provide necessary technical support and guidelines to the Banphikot Rural Municipality and MoFE as required during implementation of NCCSP2
- Support technical reporting and knowledge management

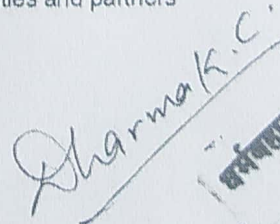
7. A Fund Manager will make available to the Project(s) a total sum not exceeding NPR 12 million for the Nepal Fiscal Year 2076/77 (i.e. 2019/20) to support the execution of the prioritised Project(s) to be undertaken by partner organisations, or other third-party representatives acting on Banphikot Rural Municipality behalf. The amounts expected to be paid for by the fund manager will be milestone based and will be agreed upon in the contract(s) between the Banphikot Rural Municipality and its partner organisations. NCCSP2 TA will sign as witness on the contracts after verifying that the milestone amounts are correct.

8. Ministry of Forests and Environment as the Executing agency

- Provide overall Programme Governance
- Communicate key information to all municipalities and partners


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- Advise and participate in capacity building activities
- Perform high-level monitoring and evaluation activities
- Provide direction for programme planning and budgeting

Fraud and Corruption

9. The Banphikot Rural Municipality and NCCSP2 TA will immediately and without undue delay inform DFID of any event which interferes or threatens to materially interfere with the successful implementation of the Project(s), whether financed in full or in part by DFID, including credible suspicion of or actual fraud, corruption or any other financial irregularity or impropriety.
10. The Banphikot Rural Municipality and NCCSP2 TA have a zero tolerance approach towards fraud and fraudulent behaviour that may lead to the misuse of funds and agree in principle to recover such funds. The Banphikot Rural Municipality will, at first, take timely and appropriate action to investigate credible allegations of fraud.

General Termination

11. If provisions of the Arrangement have not been fulfilled by the Banphikot Rural Municipality, or the partner organisations, or if any activities occur which significantly impair the development value of the Project(s), NCCSP2 TA will discuss with the Banphikot Rural Municipality and form an assessment. DFID may then take any of the following actions:
 - Signal a possible future response; and
 - Stop fund disbursements under the termination provisions set out within this Arrangement.
12. All Participants will at first negotiate to resolve any issues that might arise throughout the Project(s). However, this Arrangement can be terminated, at any time, by four weeks' written notice by either participant. All remaining funds other than those irrevocably committed in good faith before the date of termination, in line with the objectives of the Project(s) and approved between the three participants as being required to finalise activities, will be returned to the Fund Manager.

Additional Provisions

13. This MOU may be modified only by written agreement between Banphikot Rural Municipality and NCCSP2 TA.



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14. The document will be translated in Nepali, but the English text of this document will prevail. Any amendments to the provisions contained within this Memorandum will be set out in writing and signed.

Signed on behalf of the Banphikot Rural Municipality:

Name: Dharma Bahadur KC

Position: Chairperson, Banphikot Rural Municipality

Address/Contact Details: Banphikot Rural Municipality, ward no -4, West Rukum

Date: 4th March 2020

Signature

Dharma K.C.

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Signed on behalf of NCCSP2 TA

Name: Johan Bentinck

Position: Team Leader, NCCSP2 TA

Address/Contact Details: NCCSP-2, Department of Forests and Soil Conservation, Forestry Complex, Babarmahal, Kathmandu

Date: 4th March, 2020

Signature

Johan Bentinck

