

**Attachment**

**Amendments to the 2007 Memorandum of Understanding Between ADB and UNDP**

In section **G. Focal Points**, paragraph 18 (b) shall read:

“For UNDP: Assistant Administrator/Regional Director, Bureau for Asia and the Pacific (RBAP).”

**Appendix B. Administrative Arrangements for ADB-UNDP Project Cooperation**

Page 11, 12, 13 Appendix B: The title of Section A shall read "Where UNDP transfers funds to ADB, as an implementing partner", and the title of Section B shall read "Where ADB transfers funds to UNDP, as an implementing partner"

**Section A Where UNDP transfers funds to ADB, as an implementing partner**

Paragraph 2(a) shall read: “In the procurement of equipment, goods and services including consultant selection, ADB will use the ADB’s Procurement Guidelines (2013, as amended from time to time) and ADB’s Guidelines on the Use of Consultants (2013, as amended from time to time), as applicable. ADB will consult in advance with UNDP if in any particular circumstances ADB wishes to deviate from these guidelines.”

Paragraph 2(b) shall read: “Within the total amount transferred by UNDP to ADB for the project, eight percent (8%) of the total funds transferred by UNDP to ADB shall be allocated to ADB to use to cover ADB administrative costs. Project costs incurred by ADB related to the specific activities to be financed by funds transferred by UNDP will be allocated from within the funds transferred by UNDP to ADB and be additional to the funds provided for the administrative overhead costs.”

Paragraph 2(d) shall read: "ADB will maintain accounts, records and supporting documentation and provide un-audited annual financial statements in accordance with standard ADB procedures and format".

Paragraph 12(f) shall be added to read: “ADB and UNDP agree to respect each institution’s policies on anti-corruption and integrity. With due regard to UNDP’s applicable policies on procurement, vendor sanctions, and fraud and other corrupt practices, ADB will consult with and seek UNDP’s concurrence prior to engaging third parties for projects implemented by ADB pursuant to this section.”

**Section B Where ADB transfers funds to UNDP, as an implementing partner**

Paragraph 7 on General Management and Other Support Costs shall read:

Within the total amount transferred by ADB to UNDP for the project, eight percent (8%) of the total funds to be transferred by ADB to UNDP shall be allocated to UNDP to use to cover UNDP general management support costs (as defined by UNDP).

Paragraph 10(b) shall read: “The International Public Sector Accounting Standards shall be applied to accounting records and annual financial statements.”

Paragraph 12 shall read: “Any interest income attributable to funds transferred by ADB to UNDP for a project may be retained by UNDP, subject to the following two conditions: (i) the amount transferred at

any time does not exceed the equivalent of \$500,000; and (ii) ADB confirms the original source of funds does not prohibit such arrangement, in which cases the interest income shall be returned to ADB.”18.

**Anti-corruption procedures and investigations**

Paragraph 18 shall read:

- (a) ADB and UNDP agree that it is essential to take all necessary precautions to avoid corrupt, fraudulent, collusive, coercive or unethical practices as well as obstruction. To this end, in implementing the project using funds transferred by ADB to UNDP, UNDP, shall maintain standards of conduct that govern the performance of its staff, including the prohibition of corrupt, fraudulent, collusive or coercive practices in connection with the award and administration of contracts, grants, or other benefits, as set forth in the Staff Regulations and Rules of the United Nations, the UNDP Financial Regulations and Rules and the UNDP Procurement User Guide.
- (b) ADB and UNDP will consult with each other in respect of any matter that may arise from or in connection to corrupt, fraudulent, collusive or coercive practices and conflicts of interest with respect to a project.
- (c) All allegations of any such practices shall be investigated promptly and, where confirmed, appropriate follow-up action shall be initiated without delay by ADB in accordance with applicable ADB policies, procedures and guidelines where such allegations involve ADB staff and/or activities and by UNDP in accordance with applicable UNDP policies, regulations and rules where such allegations involve UNDP staff and/or activities. For the purposes of the administrative arrangements under this MoU the following definitions shall apply:
  - (1) "corrupt practice" means the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party;
  - (2) "fraudulent practice" means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
  - (3) "coercive practice" means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
  - (4) "collusive practice" means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.
  - (5) "unethical practice" means behavior that constitutes a conflict of interest, or that is contrary to the policies and requirements of doing business with UNDP, including but not limited to post-employment and gifts and hospitality provisions.
  - (6) "obstruction" means acts or omissions by a Vendor that prevent or hinder UNDP from investigating complaints of Vendor engagement in Proscribed Practices within the meaning of UNDP Vendor Sanctions Policy.
- (d) Any entity debarred, including those cross debarred, by ADB in accordance with ADB's Anticorruption Policy and Integrity Principles and Guidelines shall be ineligible to participate in projects implemented by UNDP pursuant to this section. ADB shall advise UNDP on any

matter concerning the eligibility of debarred or cross debarred entities, and any change of their status as such.

- (e) Any entity debarred or that is otherwise considered ineligible by UNDP in accordance with UNDP's policies and procedures shall be ineligible to participate in activities financed, administered or supported by UNDP or ADB in relation to this MOU.

Paragraph 19(b) shall read: "Access to and disclosure of documents and information generated and retained by ADB with respect to the project shall be governed by the ADB Communications Policy (2011)."

Paragraph 21(a) shall read: "Prior to approval of an ADB project that includes transfer of funds by ADB to UNDP for a project, ADB's Safeguard Policy Statement (SPS) (2009) shall apply."

**FOR AND ON BEHALF OF  
ASIAN DEVELOPMENT BANK**

Kazu Sakai

Mr. Kazu Sakai  
Director General  
Strategy and Policy Department

Date: 30 June 2014

**FOR AND ON BEHALF OF  
UNITED NATIONS DEVELOPMENT  
PROGRAMME**

N. Roll

Mr. Haoliang Xu  
UN Assistant Secretary-General  
UNDP Assistant Administrator and  
Regional Director for Asia and the Pacific

Date: 30 June 2014