

MEMORANDUM OF UNDERSTANDING

BETWEEN

DONORS AND CSOS

FOR PROMOTING DEVELOPMENT EFFECTIVENESS: CSO INITIATIVES TOWARDS THE FOURTH HIGH LEVEL FORUM (2011)

BACKGROUND

1. From January 2007 civil society organisations (CSOs) made a concerted effort to engage in dialogue with donors and developing country governments toward influencing the Third High Level Forum (HLF3) in Accra, Ghana on September 2-4 2008. This engagement took place primarily via two avenues. One was through the CSO-led International CSO Steering Group (ISG) that represented the face of civil society in Accra, along with the Better Aid Platform, a CSO alliance coordinated by the ISG. The second was through the multi-stakeholder Advisory Group on Civil Society and Aid Effectiveness (AG-CS) launched to advise the Working Party on Aid Effectiveness (WP-EFF) on bringing CSOs and civil society issues into the aid effectiveness agenda. Together and separately, these two ways of engaging had considerable influence on the dialogue to HLF3 and its outcomes.
2. As a result, the outcome document of the Accra High Level Forum, the Accra Agenda for Action (AAA), reflects an enhanced understanding of development and aid effectiveness. More specifically, it recognizes that the involvement of CSOs as independent development actors in their own right is fundamental to both development and aid effectiveness, and commits donors and developing country governments to deepen their engagement with them to help ensure CSOs' contributions to development reach their full potential.
3. Also emerging from Accra is increased attention to CSO effectiveness as something to be pursued both by CSOs themselves and as a shared responsibility. This is reflected in the commitment to engage with CSOs in a CSO-led multi-stakeholder process to promote CSO development effectiveness. It is further reflected in the commitment to work together to ensure that CSOs enjoy a favourable enabling environment, including appropriate donor support models, that are conducive to CSOs' aid and development effectiveness.
4. The AG-CS' final recommendations to the WP-EFF anticipated that broad-based and inclusive participation of CSOs from around the globe in the various elements of the forward agenda would require financial resources. It was thus recommended that donors pool their resources in support of these processes, in line with the Paris Declaration principle of harmonization and successful experimentation of good practice piloted under the AG-CS and elsewhere.
5. With this recommendation and the AAA commitments as their foundation, and building on the experience of CSO engagement in the lead up to Accra, two CSO coalitions have submitted proposals for two broad streams of work toward the fourth High Level Forum (HLF4) anticipated in 2011. These two proposals are for the CSO-led Open Forum for CSO Development Effectiveness and the Better Aid Platform. They are accompanied by an over-arching Chapeau entitled *Promoting Development Effectiveness: CSO Initiatives toward the 2011 High Level Forum*.
6. The two distinct but closely inter-related global CSO processes for which proposals have been submitted and two pooled funds will be established include:

- The Open Forum for CSO Development Effectiveness, led by the Global Facilitation Group (GFG), to define and promote a framework that sets out principles, guidelines and strengthened accountability for CSO development effectiveness, and to develop an agreement on minimum standards for an enabling environment for CSO development effectiveness, at national, regional, sectoral/thematic and international levels, for HLF4; and
 - The Better Aid Platform, led by the Better Aid Coordinating Group (BACG), working closely with the Reality of Aid in catalysing country-level implementation of the AAA, and with the other specific international social movement networks, with a focus on policies and reforms that strengthen the links between aid and development effectiveness for HLF4.
7. The overarching objective of the two CSO processes as described in the Chapeau is:
- To deepen donor, developing country government, international institution and CSO commitments to reforms in aid and development effectiveness and aid architecture, through engagement of CSOs in monitoring and catalyzing broad implementation of the Paris Declaration and the AAA, and in the preparations for the Seoul HLF4 in October 2011.
8. The purpose of this Memorandum of Understanding (MOU) is to outline basic principles to guide donors in their pooled financial support to these two CSO processes toward HLF4, and to guide CSOs in their receipt and management of this support. The purpose of this MOU is further to outline respective roles and responsibilities, and general terms and conditions for allocation and management of donors' pooled support.

PARTIES TO THE MOU

9. The parties to this MOU are the donors contributing to the pooled funds, including a sub-group of these called the "Donor Coordination Group," and CSOs responsible for managing those funds.
10. CSO signatories are members of a "CSO Management Group" elected by the GFG and BACG to manage the two initiatives under the Chapeau for the CSO community. This group includes two CSOs elected to act as "financial management CSOs" of the two funds – the European NGO Confederation for Relief and Development (CONCORD) for the GFG, and IBON Foundation Inc., for the BACG – and two additional CSOs each from the GFG and the BACG.
11. Responsibilities for individual donors, the financial management CSOs, the Donor Coordination Group, and the CSO Management Group, are outlined in the section on Responsibilities, below.

OBJECTIVE AND SCOPE OF THE MOU

12. The objective of this MOU is to provide some guidance to CSO and donor signatories regarding how to manage the two pooled funds identified earlier while respecting fundamental principles of aid effectiveness and efficiency. This will in turn enable the financial management CSOs, and their participating CSO partners, to achieve the objectives and outcomes detailed in the two proposals and the associated Chapeau.
13. Financial management responsibilities for each pool will be provided by CONCORD for the Open Forum and its GFG, and IBON Foundation Inc for the Better Aid Platform and its BACG. CONCORD and IBON are among the signatories to this MOU. Donor signatories to the MOU are all

donors making a financial contribution to the funding pools(s). The CSO and donor signatories to this MOU will also enter into bilateral agreements covering donor funding allocations to one or both of the CSO processes. The MOU applies to the two distinct proposals and funding pools to support their implementation, one for each of the CSO proposals (hereinafter referred to as "CSO processes"), and to the associated Chapeau.

14. The MOU is neither a binding legal agreement nor does it constitute an international treaty. Any matter that is not expressly provided for in this MOU will be governed by the bilateral agreements between specific donors and the financial management CSOs. In the event of any conflict between the provisions of this MOU and the bilateral agreements, the latter will prevail.

BASIC PRINCIPLES FOR THE MOU

As donors and CSO signatories to this MOU, we have adopted the following basic principles:

15. We recognize the complementarity of the two CSO processes being supported under this MOU, and will seek to ensure balanced funding of each one to ensure full implementation of these distinct but related CSO processes and thus achievement of their respective objectives and the over-arching objective of the Chapeau.
16. We recognize the comprehensive nature of these two CSO processes and will seek to a) provide overall support for each of the two CSO process, rather than earmarking support for specific activities within each process, and b) provide support to each CSO process from start to finish, therefore at least until HLF4 or December 2011.
17. Donors will seek to ensure that their support to the CSO process(es) toward HLF4 is additional to and does not substitute for other sources of financial support to the participating CSOs.
18. CSOs will, with donor encouragement and support, establish appropriate and realistic indicators, and systematically monitor progress against these indicators. Donors and CSOs will consider jointly overseeing an independent evaluation of outcomes and impact achieved by the two CSO processes, to be carried out following HLF4 but prior to the expiration date of this MOU.
19. We will promote the harmonization and coordination of efforts in order to minimize transaction costs and ensure overall coherence. To this end, donors will seek to harmonize their requirements by putting in place common content and format requirements for proposals, narrative and financial monitoring and reporting, audit, and general accountability for the support they provide. These requirements will be agreed upon with the signatory CSOs. If any donor has additional requirements these will be regulated in the bilateral agreements, though donors are encouraged to the furthest extent possible to refrain from making additional requirements.
20. We will promote synergies between these two CSO processes covered by this MOU and other activities initiated by CSOs which donors might support.
21. We will seek to promote trust and mutual respect by ensuring a maximum level of information-sharing and transparency.
22. We will strongly encourage donors who are prepared to support the process but are unable to sign on to the MOU or to participate in the funding pools to acknowledge and work within the approach set out by the MOU.

RESPONSIBILITIES

23. Each donor signatory and financial management CSO signatory to this MOU agree to undertake the respective responsibilities listed below.
24. Should any conditions arise that seriously impede the financial management CSOs or donors' ability to fulfil these responsibilities, all effort will be made to notify the Donor Coordination Group and CSO Management Group as soon as possible.
25. Donors' responsibilities include:
- Receiving and reviewing proposals for each CSO process and providing feedback to CSOs, either bilaterally as needed or through consolidated feedback from the Donor Coordination Group;
 - Entering into bilateral agreements with CSOs for their specific financial contributions;
 - Disbursing funds to CSOs based on the terms of each bilateral agreement and as much as possible in keeping with the Conditions for the Use of Funding and Disbursement sections of this MOU;
 - Receiving and reviewing narrative and financial reports and providing feedback to CSOs, either bilaterally as needed or through consolidated feedback from the Donor Coordination Group, and in keeping with the relevant clauses of this MOU, particularly the Monitoring, Reporting and Evaluation and Audit sections;
 - Raising awareness of and promoting engagement in the CSO processes in the donor and developing country government community and elsewhere as opportunities arise;
 - Providing specific input resulting from this work into the ongoing dialogue on aid and development effectiveness and implementation of the AAA;
 - Refraining from setting conditions which will be incompatible with the MOU. In particular, donors will seek to provide funding to help ensure balanced support for both CSO processes, and seek to refrain from a) earmarking funds to particular activities within a CSO process; b) putting in place requirements additional to what is found in this MOU as regards content and format of proposals, bilateral agreements, narrative and financial reporting, and audit.
 - For some donors, possibly channelling funds from non-signatory donors to one or both of the CSO processes; and
 - Coordinating communication with the CSOs via the Donor Coordination Group and CSO Management Group as appropriate.
26. Financial management CSOs' responsibilities include:
- Preparing and submitting proposals for each CSO process that will form the basis for consideration by each individual donor with regard to funding allocations;
 - Entering into bilateral agreements with donors for their specific financial contributions;
 - Receiving and managing the funds disbursed under each bilateral agreement, using financial management systems and procedures in keeping with international standards of accounting and procurement and with the relevant clauses of this MOU, particularly sections on Conditions for the Use of Funding, Monitoring, Reporting and Evaluation, Audit and Procurement;

- Submitting narrative and financial reports and audits to donors and responding to donors' feedback in keeping with international standards of accounting and procurement and with the relevant clauses of this MOU, particularly the Monitoring, Reporting and Evaluation and Audit sections;
- Sharing information among themselves and with donors regarding external funds received for the proposals outside of the pooled funds under the umbrella of this MOU, but for objectives detailed in the proposals and associated Chapeau; and
- Coordinating communication with the donors via the CSO Management Group and Donor Coordination Group as appropriate.

27. Responsibilities of the Donor Coordination Group include:

- Receiving individual donors' feedback on CSOs narrative and financial reports, consolidating that feedback when and as deemed appropriate, and communicating it to the CSO Management Group, based on the requirements to be agreed upon as set out in paragraph 19 above and in the Monitoring, Reporting and Evaluation section of this MOU;
- Receiving CSOs' overview of implementation progress, budget and cash flow needs of the CSO processes, and supporting CSOs to encourage the allocation of donor financial contributions accordingly;
- Endeavouring to coordinate the division of labour among donors for awareness-raising and promoting engagement in the CSO processes in the donor and developing country government community and elsewhere as opportunities arise;
- Maintaining an overview of the plans and progress of the two CSO processes and their linkages to encourage synergies;
- Consider overseeing, jointly with the CSO Management Group, an independent evaluation of outcomes and impact achieved by the two CSO processes, to be carried out following HLF4 but prior to the expiration date of this MOU;
- Seeking to monitor, uphold and encourage overall adherence by all parties to this MOU;
- Encouraging donors unable to participate in the MOU to acknowledge and work with the approach set out in the MOU; and
- Providing a coordinated point of contact between donors and the CSO Management Group as appropriate.

28. Responsibilities of the CSO Management Group will include:

- When consolidated donor feedback on narrative and financial reports and audits has been received from the Donor Coordination Group, responding to the Group's feedback, based on the requirements to be agreed upon as set out in paragraph 19 above and in the Monitoring, Reporting and Evaluation section of this MOU;
- Maintaining an overview of implementation progress, budget and cash flow needs of the CSO processes and encouraging the allocation of donor financial contributions accordingly;
- Fund-raising to cover funding gaps and additional CSO proposals;
- Seeking to monitor, uphold and encourage overall adherence by all parties to this MOU;

- Encouraging donors unable to participate in the MOU to acknowledge and work with the approach set out in the MOU; and
 - Providing a coordinated point of contact between CSOs and the Donor Coordination Group as appropriate.
29. The Donor Coordination Group and CSO Management Group will seek to meet at least twice per year. The purpose of such meetings will be to review topics such as budget requirements, donor allocations across the CSO processes, and progress and synergies of CSO processes. Between the meetings, the two groups will maintain an ad hoc communication to resolve current or urgent issues.
30. The initiative to call a joint Donor Coordination Group ó CSO Management Group meeting can be taken by either party, with meeting schedules, agendas and the documentation to be circulated in advance of the meeting to be agreed upon jointly. Meetings will be co-chaired by one representative from each group. Draft minutes will be taken on a rotating basis between the Donor Coordination Group and CSO Management Group. Draft minutes will be circulated no later than 10 days after each meeting and will be signed by the co-chairs.

CONDITIONS FOR THE USE OF FUNDING

31. The funds contributed by donors may only be used to implement the two CSO processes specified in the two proposals and associated Chapeau.
32. Should circumstances arise that call the feasibility or validity of the CSO process(es) into question or that in the view of signatory CSOs require substantial changes to the objectives, plans or budgets as presented in proposals and associated Chapeau, the CSOs, through the CSO Management Group, will consult with the Donor Coordination Group, and obtain written approval before continuing implementation of the CSO processes or before implementing such changes.
33. An anticipated deviation from a budget heading in the amount of 10% or more of the heading in question will require consultation and advance written approval from the Donor Coordination Group. Any deviations of 10% or more on budget line items found under the budget headings will need to be explained in CSOs' financial reports. Any anticipated deviations in budget line items that are potentially significant should be discussed with the Donor Coordination Group in advance.
34. Donors may decide to withhold disbursements, wholly or in part, if substantial deviations from the proposals and their budgets occur, the proposal and Chapeau objectives are imperilled, financial and narrative reports are not delivered as agreed or the CSO process(es) develop(s) unfavourably in any other important respect in terms of the objective(s). Before taking such a decision, donors will initiate discussions with CSOs through the Donor Coordination Group and CSO Management Group or bilaterally as needed. The format and terms for bilateral discussion and decision-making will be stipulated in the bilateral agreements, and the outcome of such discussion will be made available to the Donor Coordination Group and the CSO Management Group.
35. Any funds allocated to the pool(s) that are not used for implementation of the CSO processes as agreed will be accounted for and repaid to donors proportionally.
36. When a financial management CSO channels funds from their respective pool to another CSO, the financial management CSO will enter into an agreement with this organisation. The financial management CSO will ensure that all applicable conditions of this MOU are included in these agreements. Overall, the financial management CSOs are accountable for funds received and

disbursed to implementing partners. Funds disbursed to implementing partners should contribute to the achievement of the objectives of the proposal(s) and associated Chapeau.

37. CSOs' information and promotion materials will indicate that the CSO processes are financially supported by the specific donors contributing to the pools governed by this MOU. Such materials should also indicate, unless agreed otherwise in advance, that the donors in question have not participated in the design of material or the organisation of activities, nor have they expressed an opinion on the points of view presented.

MONITORING, REPORTING AND EVALUATION

38. Donors will seek to put in place a common narrative reporting format based on the indicative format outlined in Annex A to be used by the financial management CSOs in reporting progress in the implementation of the CSO processes and achievement of results against the performance frameworks.¹ Donors will be encouraged to accept a common narrative report based on this format. If any additional narrative reporting requirements arise from specific bilateral agreements these will be met through additions to the report for the specific donor.
39. Donors will also seek to put in place a common financial reporting format based on the indicative format outlined in Annex B to be used by the financial management CSOs in reporting expenditures, budget balance and cash flow.² Donors will be encouraged to accept a common financial report based on this format and to accept financial reporting in the currency in which the financial management CSOs are audited (Euro for CONCORD and US dollars for IBON). Financial reports must include a statement of the contribution received from each donor in the currency in which the donor disbursed it, and its equivalent in the currency of reporting. If any additional financial reporting requirements arise from specific bilateral agreements these will be met through additions to the report for the specific donor.
40. The financial management CSOs will, independently from each other, prepare and submit to donors not more than eight weeks after completion of the reporting period:
- Annual narrative report
 - Annual financial report
 - Annual work plan and budget, including for year one, not more than eight weeks after the MOU comes into effect
 - Semi-annual narrative and financial progress report highlighting any issues to be discussed between the Donor Coordination Group and CSO Management Group
 - Final narrative report
 - Final financial report
41. While the effective date of this MOU is as per paragraph 65, the year one reporting period will be from July 1st 2009 to June 30th 2010.

¹ The Donor Coordination Group and CSO Management Group may seek to amend the Annex A indicative narrative reporting format once this MOU is in place, and prior to completion of the first six-month period.

² As above for the indicative financial reporting format found in Annex B.

42. Separate reports will be required for each of the two main CSO processes and will include coverage of sub-processes such as the Reality of Aid country-level work. Though a separate report to cover the Chapeau will not be required, CSOs' reports will need to address the linkages between the CSO processes as described in the proposals and Chapeau.
43. The release of financial disbursements will be tied to receipt and approval of narrative and financial reports as specified in bilateral agreements between donors and the financial management CSOs. CSOs will promptly inform donors if reports and plans cannot be submitted as agreed. Additional funds will not be disbursed until the required documents have been received and approved by donors as specified in bilateral agreements.
44. Donors will aim to review and provide written confirmation of approval of the reports within six weeks of receipt. If required, donors will provide feedback or requests for clarification to the CSOs within six weeks of receipt of the reports, either bilaterally or in consolidated format through the Donor Coordination Group. CSOs will be requested to respond to the feedback within six weeks of receipt unless agreed upon otherwise. Donors will then provide written confirmation of approval of the report and responses within six weeks of receipt of CSOs' satisfactory responses.
45. CSOs will provide donors with any other information regarding the CSO processes that donors may reasonably request and will enable donor representatives to visit locations of implementation for the purposes of on-site monitoring, and if deemed necessary, inspection of property, goods, records and documents. Donors will ensure that any requests are reasonable and will respect the integrity of the CSO-only components of the two CSO processes. CSOs will cooperate with and assist donors in the performance of monitoring and evaluation, including of the processes' impact once funding is completed, and commit to transparency in communication of the outcomes of the CSO processes.
46. CSOs will retain all records for 10 years from the last disbursement by donors.
47. Donors and CSOs will consider jointly overseeing an independent evaluation of outcomes and impact achieved by the two CSO processes, to be financed by donors, and carried out following HLF4 but prior to the expiration date of this MOU.

AUDIT

48. The financial management CSOs will be responsible to ensure annual audits of the CSO processes and the financial contributions related to them. The audit may be performed as part of the overall annual audit of the accounts of the CSO. In this case, the accounts of the CSO will identify income and expenditure relating specifically to this MOU. CSOs will make their annual audit accounts available to donor signatories to this MOU.
49. The audits will identify each donor's contribution separately (though not ear-marked to particular activities) and exchange rates used as applicable.
50. The audits will be carried out by independent and qualified auditors, and will be carried out in accordance with international standards of accounting and the laws of the country in which the financial management CSO resides.
51. The audit report will express opinions whether the submitted annual financial report is correct and gives a true and fair view of implementation of the CSO process(es).

52. The auditor will submit a management letter, which reviews the management and internal control system of the financial management CSOs. The letter will state which measures have been taken as a result of previous audit reports/management letters and whether measures taken have been adequate to deal with reported shortcomings.
53. The financial management CSOs will submit the audit report and management letter to the Donor Coordination Group not later than thirteen weeks after completion of each year's activities.
54. The financial management CSOs will cooperate with and assist donors in the performance of any additional audits, follow-ups and financial studies that they may request.

PROCUREMENT AND ACCOUNTING

55. Procurement of goods, works and services will use transparent processes and fair and open competition, and will comply with European Commission procurement procedures as outlined in the Practical Guide to Contract Procedures for EC External Actions.³
56. No offer, gift or payment, consideration or benefit of any kind that would or could be construed as an illegal or corrupt practice will be accepted either directly or indirectly, as an inducement or reward for the award or execution of contracts for goods, works and services financed within the programme.
57. Donors may carry out checks on procurements (preferably in a coordinated manner). The check may take the form of a procurement audit, at which time CSOs will provide donors with all the necessary documentation.

ANTI-CORRUPTION

58. The financial management CSOs will require that all CSOs and staff involved in the implementation of the CSO processes refrain from offering third parties, or seeking, accepting or being promised from or by third parties, for themselves or for any other party, any gift, remuneration, compensation or benefit of any kind whatsoever, which could be interpreted as an illegal or corrupt practice. The financial management CSOs will promptly inform the Donor Coordination Group of any instances of corruption, or suspicion of corruption, as referred to in this paragraph.
59. The financial management CSOs and contributing donors agree to cooperate to prevent corruption under the respective initiatives for which they are responsible and will undertake to take rapid legal measures to stop, investigate and charge any party legitimately suspected of corruption or other wilful misuse of resources.

DISBURSEMENT AND EXCHANGE RATE FLUCTUATION

60. The contributions of each donor will be disbursed in accordance with each bilateral agreement under guidance of this MOU.
61. To ensure transparency and allow an overview of budget and cash flow needs, disbursement information will be shared between the CSO Management Group and Donor Coordination Group.

³ Available at: http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/documents/2008new_prag_final_en.pdf#page=89

62. Gains and losses due to exchange rate fluctuations, as well as interest earned on funds disbursed, will be integrated into the financial management and reporting of each of the financial management CSOs. Exchange rate gains and interest accrued may be retained by the financial management CSOs for use in achieving the objectives of their respective CSO proposals supported under this MOU. Exchange rate losses will be managed through the risk management strategies of the financial management CSOs as stipulated in the proposals.

DISPUTE RESOLUTION

63. If any dispute arises between the signatories to this MOU as to the interpretation, application or performance of this MOU, signatories will consult with each other in order to reach an amicable solution.

AMENDMENT OR TERMINATION

64. Any proposals for amendments to the MOU will be submitted to the Donor Coordination Group and CSO Management Group for discussion. Amendments agreed upon will be made in writing and signed by the members of each group.

65. The MOU will remain valid until the latest completion date of the bilateral arrangements covered by the MOU, at minimum until December 31st 2011 unless terminated earlier by six months written notice by either party.

EFFECTIVE DATE

66. This MOU will become effective upon the latest date of signing by the two financial management CSOs and a minimum of two donors from the Donor Coordination Group. It will remain effective until the latest effective date any bilateral agreement associated with it.

67. Originals of the text of the MOU written in English will be signed for each member of the Donor Coordination Group to have one original copy and the financial management CSOs to have one original copy.

ENDORSEMENT BY SIGNATORIES

68. The parties to this MOU in witness to the agreed terms and conditions sign as shown below.

NAME, ADDRESS AND TITLE OF SIGNATORY	SIGNATURE OF SIGNATORY
CSO SIGNATORIES	
European NGO Confederation for Relief and Development (CONCORD) 10 square Ambiorix - B-1000, Brussels, Belgium Name and title of signatory: Jake Bharier, Treasurer	
IBON Foundation Inc 2 nd Flr, IBON Center, 114 Timog Avenue Quezon City, Philippines P.O. Box SM-447, Manila, Philippines	

Name and title of signatory: Tony Tujan, International Director	
European NGO Confederation for Relief and Development (CONCORD) 10 square Ambiorix - B-1000, Brussels, Belgium Name and title of signatory: _____	Signature: _____ Date: _____
Asociación Latinoamericana de Organizaciones de Promoción (ALOP) Benjamín Franklin # 186 ó Col. Escandón M. Hidalgo, México D.F. 11800, México Name and title of signatory: _____	Signature: _____ Date: _____
Forum Syd Box 15407, S-104 65 Stockholm, Sweden Name and title of signatory: _____	Signature: _____ Date: _____
IBON Foundation Inc 2 nd Flr, IBON Center, 114 Timog Avenue Quezon City, Philippines P.O. Box SM-447, Manila, Philippines Name and title of signatory: _____	Signature: _____ Date: _____
International Trade Union Confederation (ITUC) 5 Boulevard du Roi Albert II, Bte 1 1210 Brussels, Belgium Name and title of signatory: _____	Signature: _____ Date: _____
Association for Women's Rights in Development (AWID) 215 Spadina Ave, Suite 150 Toronto, Ontario, Canada M5T 2C7 Name and title of signatory: _____	Signature: _____ Date: _____

DONOR SIGNATORIES	
Name and title of signatory: _____	Signature: _____ Date: _____
Name and title of signatory: _____	Signature: _____ Date: _____
	Signature: _____

Name and title of signatory: _____	_____ Date: _____
Name and title of signatory: _____	Signature: _____ Date: _____
Name and title of signatory: _____	Signature: _____ Date: _____
Name and title of signatory: _____	Signature: _____ Date: _____
Name and title of signatory: _____	Signature: _____ Date: _____

ANNEX A– INDICATIVE NARRATIVE REPORTING FORMAT

This indicative reporting format will be finalized in discussion between the CSO Management Group and Donor Coordination Group prior to completion of the first six-month period of this MOU. Separate formats will be developed for Annual Reports and Semi-Annual Progress Reports.

Cover page

- Name of financial management CSO and implementing CSO(s)
- Period under review
- Date of report submission
- Bilateral contract numbers and associated donor names

Table of contents

Acronyms

1.0 Introduction and overview

- General introduction to CSO process and overview of achievements for the reporting period.
- General discussion of implementing context including any key factors affecting or having the potential to affect implementation.

2.0 Progress on objectives

For each of the targeted objectives and associated indicators specified in the performance framework, outline:

- Results and impact achieved during reporting period in relation to the performance framework.
- Cumulative results achieved to date over all reporting periods.
- Planned results not achieved. Describe why they were not achieved and how the challenges encountered are being addressed.
- Unplanned results and any particular opportunities or positive developments to note.
- Emerging and potential challenges and risks which may hinder achievement of results in future and suggested actions or actions being implemented to address these challenges and risks.
- Status of assumptions and risks if not already discussed as opportunities or challenges.
- Other relevant remarks or comments.
- Work plan for upcoming year.

Note: Where possible and applicable to the indicator, disaggregate data by gender.

3.0 Concluding remarks

Annex

Key documents produced by the CSO process e.g. policy papers, studies, evaluations.

ANNEX B – INDICATIVE FINANCIAL REPORTING FORMAT

This indicative reporting format will be finalized in discussion between the CSO Management Group and Donor Coordination Group prior to completion of the first six-month period of this MOU. Separate formats will be developed for Annual Reports and Semi-Annual Progress Reports.

General Activity Category	Year 1 (or relevant period) Budget	Year 1 (or relevant period) Expenditure	Year 1 (or relevant period) Balance	Total Budget	Total Budget Balance	Variance Between Total Budget Balance & Years 2 & 3 Budget	Funds Received by Source		Funds Expended	Balance of Funds	Comments
							In Currency Received	In Currency of Audit			