

## Memorandum of Understanding

November 2018

This Memorandum of Understanding is made between the Robert Carr civil society networks Fund (RCF), funded by a multinational consortium of donors and represented by the Chair of its International Steering Committee (ISC) and Aidsfonds as the Fund Management Agent (FMA) of the RCF, represented by its Executive Director.

### 1. Preamble

Launched in Washington DC July 2012, the RCF is an international, pooled funding mechanism with a distinct identity and purpose and with its own governance structure, aiming to strengthen global and regional civil society and community networks responding to HIV across the world through programmatic and core funding.

*Whereas the RCF is not registered as a legal entity, its foundational basis is set out in a Governance Charter.* The Governance Charter mandates the RCF International Steering Committee (ISC) to be the overall and final decision-making body and ultimately fully responsible for the Fund. The ISC determines the grant-cycle, the guiding principles for funding along with a framework for reporting, monitoring, evaluation and learning, and oversees the implementation. The ISC appoints the members of a Program Advisory Panel (PAP) that reviews grant proposals and makes recommendations for funding to the ISC. The ISC selects a Fund Management Agent (FMA), to act as the fiduciary agent, provide administrative services and support the implementation of the work of the Fund.

Aidsfonds has broad experience in working for and with inadequately served populations through national and international programs funded largely from private donors and the Dutch government. Aidsfonds was selected as FMA for RCF in 2012. Aidsfonds and RCF share the ambition to optimize collaboration and synergies across different funding streams for HIV community responses. In collaboration with Aidsfonds, the RCF support for global and regional networks all over the world has been successfully implemented, and its budget, scope of activities and the capacity of the Secretariat within the FMA has increased.

A first external evaluation/assessment of Aidsfonds as FMA conducted in early 2018 noted the achievements made, but also some operational and structural challenges which were confirmed by the ISC and Aidsfonds. Based on the recommendations in the FMA assessment report, the ISC decided to engage with the FMA to further develop and clarify the partnership model for collaboration<sup>1</sup>. This MOU outlines the agreed principles for the partnership model:

- Aidsfonds, through the ED, is overall responsible for the FMA functions covered by this MOU
- The ED delegates authority to the RCF Fund Director to be responsible for and report to the ISC for a defined part of the overall FMA function. The RCF Fund Director will lead a dedicated RCF secretariat with a distinct identity within the Aidsfonds structure.

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<sup>1</sup> "Hybrid model" Minutes of ISC meeting 15th May 2018. The RCF Secretariat should not be fully integrated, nor fully hosted, but have a defined and distinct identity embedded in the Aidsfonds structure.

- The Aidsfonds ED, or a deputy with a delegated authority from the ED are responsible to the ISC for the delivery of FMA policy and support functions defined in this MOU as FMA core functions.

This time-bound Memorandum of Understanding describes the agreements between the ISC and Aidsfonds on collaboration as partners and the deliverables of the FMA, including the specific role, responsibilities and reporting lines for the dedicated RCF Secretariat within the FMA, and is accompanied by a more detailed Responsibility Assignment Matrix.

## **2. Vision, mission and strategic goals of the partners**

### **2.1 Vision, mission and strategic goals of RCF**

- a. Vision of RCF: RCF is a cooperative effort of donors and civil society. Its vision is “getting to zero. Zero new infections, zero discrimination and zero AIDS related deaths.”
- b. Mission of RCF: RCF aims to support civil society networks in addressing critical factors for scaling up access to HIV prevention, treatment, care and support and to protect the rights of inadequately served populations (ISP) across the world.
- c. Strategic goals of RCF:
  - Improving global and regional network capacity
  - Enhancing HIV response implementation
  - Supporting human rights advocacy
  - Increasing resources accountability for the HIV response.

### **2.2 Vision, mission and strategic goals of Aidsfonds**

- a. Vision of Aidsfonds: Aidsfonds’ vision is a world without AIDS and STIs. Every day, Aidsfonds strives to end AIDS globally before 2030. In the Netherlands, Aidsfonds works to radically reduce HIV and other STIs. Aidsfonds will continue its focus on and improve alignment and synergy between these two areas.
- b. Mission of Aidsfonds: Aidsfonds is a Dutch organization that works nationally and internationally. Aidsfonds is an involved funder specialized in working as a kick-starter and funding the community response. Aidsfonds is convinced that its focus on community support will contribute to achieving its strategic goals for the period 2018-2021. Supporting communities, enabling them to prevent new HIV infections and giving people living with HIV access to treatment is at the heart of Aidsfonds’ work.
- c. Strategic goals of Aidsfonds:
  - Radical reduction in the Big Six STIs and 0 new HIV infections in the Netherlands
  - < 200,000 new HIV infections globally
  - Everyone living with HIV worldwide receives treatment
  - A cure for HIV
  - Awareness, support in society, and full funding of the AIDS and STI response.

## **3. Guiding principles for the parties and this partnership**

- a. Human rights are the foundation of the work of both RCF and Aidsfonds.
- b. Aidsfonds has the ambition to be an involved funder.
- c. RCF aims to strengthen civil society networks in a sustainable way.
- d. Other principles that are essential for this partnership:
  - Accountability;
  - Transparency;
  - Flexibility;
  - True and meaningful involvement;

- A commitment to empowerment;
- Diversity.

#### **4. RCF Secretariat functions and FMA core functions**

- a. The governance of RCF is described in the governance charter (last version can be found on the website [www.robertcarrfund.org](http://www.robertcarrfund.org)), outlining the role and responsibility of the ISC, the PAP and the FMA. This MOU covers the role and responsibility of the FMA as the basis for the contractual relationship between RCF and Aidsfonds/FMA.
- b. Aidsfonds as FMA is represented by its Executive Director (ED), who is fully responsible for the effective delivery of FMA functions.
- c. For the purpose of this Memorandum of Understanding, RCF is represented by the Chair of the ISC, the ultimate decision-making body of the RCF fund.
- d. The FMA functions are delivered by a dedicated RCF secretariat, with additional services provided from across Aidsfonds departments, here referred to as FMA core functions. The RCF secretariat functions and the FMA core functions seen together cover the full range of FMA responsibilities outlined in the governance charter:
  - Operationalize ISC decisions
  - Act as the fiduciary agent of the RCF
  - Enter into contractual agreements with grantees and donors
  - Maintain general quality standards and ensure updated, state of the art policies on conflict of interest, corruption fraud and mismanagement, workplace culture and gender
  - Undertake due diligence procedures, project control and risk management
  - Undertake financial management and reporting
  - Manage the grant-cycle, monitor and report on agreements
  - Provide Human Resource services, office accommodation and ICT
  - Provide logistical and secretarial support to ISC and PAP
  - Support resource mobilization activities
- e. An RCF Fund Director, jointly selected by ISC and Aidsfonds and employed by Aidsfonds at a level of authorization within the Aidsfonds authorization scheme agreed by the two parties, directs the work of the RCF Secretariat as defined in this MOU. The Fund Director reports for defined RCF Secretariat functions to the ISC and represents the RCF externally, based on delegation from the ISC.
- f. An FMA deputy with delegated authority from the ED is responsible to the ISC for the effective delivery of FMA core functions, as defined in this MOU
- g. The Fund Director and the FMA deputy with a delegated authority from the ED are each responsible to the ISC for a defined set of the FMA functions, will collaborate under guidance from the Aidsfonds Executive Director to ensure necessary coordination, innovation, problem solving, smooth functioning and effective delivery of the full range of FMA functions.
- h. Before and after each ISC meeting the ED will organize a meeting for the Fund Director and the relevant FMA managers to review ISC decisions and assign tasks and responsibilities.
- i. The FMA, formally represented by the ED, has an observer seat in the ISC.

## 5. Outline of responsibilities: FMA core functions and RCF Secretariat functions

The following is to clarify the division between the specific roles of the RCF Secretariat of the FMA and the core functions of Aidsfonds as FMA and should serve as a point of reference to guide the joint effort to increase the efficient delivery of the FMA functions and thereby the impact of RCF.

<i>FMA Core functions</i>		<i>RCF Secretariat functions</i>
<b>5.1 Operationalization of ISC decisions</b>		
<ul style="list-style-type: none"> <li>FMA will operate in accordance with what has been decided by the ISC, within possibilities and in the best interest of optimal functioning of the Secretariat in their implementation of ISC decisions.</li> <li>The ED and the RCF Fund Director, together with FMA managers concerned, will together review ISC decisions and allocate responsibilities according to the agreed division of responsibilities (Annex I)</li> <li>To make sure the ISC decisions take FMA's advice into account, FMA has an observer seat in the ISC.</li> <li>The FMA has a right and a duty to inform and object to ISC decisions that may violate conditions of the funding contracts, signed between the FMA and the donors. The ISC members cannot be held liable for financial losses or other damages sustained by the FMA as a result of actions or omissions by the FMA, its agents, staff or sub-grantees.</li> </ul>		<ul style="list-style-type: none"> <li>The RCF Secretariat will operate in accordance with what has been decided by the ISC, implement the ISC decisions and monitor the implementation.</li> <li>The RCF Fund Director and the ED, together with FMA managers concerned, will together review ISC decisions and allocate responsibilities according to the agreed division of responsibilities (Annex I).</li> </ul>
<b>5.2 Act as the fiduciary agent of RCF</b>		
<p>As FMA, Aidsfonds will act as the fiduciary agent. As such, Aidsfonds will take into account two principles:</p> <ul style="list-style-type: none"> <li>Aidsfonds will not place itself in the position where it will have interests directly conflicting with the interests of RCF.</li> <li>Aidsfonds will not profit unreasonably from the position of FMA at the expense of RCF.</li> </ul>		
<b>5.3 Contractual agreements with donors and grantees</b>		
<p>The FMA will</p> <ul style="list-style-type: none"> <li>formally contract donors on behalf of RCF, in line with the RCF strategy and ISC decisions and with the policies and procedures of Aidsfonds.</li> <li>define the regulatory framework and compliance procedure for contracts between Aidsfonds and grantees.</li> <li>provide the formal control function for contracts and manage closure of contracts.</li> <li>provide legal advice/support for contractual agreements, including support with contract</li> </ul>		<p>The RCF Secretariat will</p> <ul style="list-style-type: none"> <li>lead and be accountable for financial reporting to donors according to contractual agreements.</li> <li>give support to the relevant FMA staff in the contracting process with donors and identify possible inconsistencies with RCF's strategy or interests.</li> <li>translate specific donor requirements into formats and reporting schedules for grantees.</li> <li>implement the contracting process with</li> </ul>

<p>adjustments, when necessary.</p> <ul style="list-style-type: none"> <li>formally contract selected grantees on behalf of RCF in accordance with ISC decisions.</li> </ul>			<p>grantees following ISC decisions, consistent with the regulatory framework and compliance procedure for contracts between Aidsfonds and grantees.</p> <ul style="list-style-type: none"> <li>monitor the fulfillment of contractual obligations with donors to RCF and with grantees.</li> </ul>
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<i>FMA Core functions</i>		<i>RCF Secretariat functions</i>
<b>5.4 Maintain general quality standards</b>		
<p>The FMA will</p> <ul style="list-style-type: none"> <li>• maintain its ISO 9001/Partos 9001 certification and its CBF seal of approval (Centraal Bureau Fondsenwerving, supervising authority on fundraising organizations).</li> <li>• respect all relevant regulations of CBF and GDN (Goede Doelen Nederland, umbrella organization of charities).</li> <li>• apply all relevant internal policies, procedures and guidelines of Aidsfonds to RCF and its Secretariat. This includes HR procedures, policies on integrity breaches, travel safety procedures, accounting and project control procedures, general ICT systems and procedures, project software and procedures, etc.<sup>2</sup></li> </ul>		<p>The RCF Secretariat will</p> <ul style="list-style-type: none"> <li>• operate according to Aidsfonds quality standards, regulations, relevant internal policies, procedures and guidelines</li> </ul>
<b>5.5 Due diligence procedures, project control and risk management</b>		
<p>The FMA will</p> <ul style="list-style-type: none"> <li>• dedicate a project controller within the project control team to support the RCF fund, in line with the basic support given to other international programs of Aidsfonds.</li> <li>• provide specific support activities guided by specific demands of the RCF fund and its donors.</li> <li>• commit to a total set of support activities guided by an overall task division, agreed between the RCF finance officer and the RCF project controller, and an annual calendar, giving the reporting schedule and other relevant deadlines. The task division and the annual calendar will be approved by both the RCF fund director and the Head of project control.</li> <li>• be responsible for updated Aidsfonds policies and strategies that aim to prevent, identify, investigate and learn from cases of integrity breaches (corruption, sexual harassment, fraud, mismanagement and other integrity breaches) and provide support to the RCF Secretariat in implementation.</li> </ul>		<p>The RCF Secretariat will</p> <ul style="list-style-type: none"> <li>• conduct project control activities and analyses, risk management and compliance according to the standard procedures of Aidsfonds, as guided and supported by the project control team.</li> <li>• timely communicate any specific support demands and/or information needs that are not included in the overall task division or the annual calendar. The dedicated project control officer will be given reasonable time to react on the nature of the request and/or fulfill the specific need or demand.</li> <li>• implement Aidsfonds policies and strategies that aim to prevent, identify, investigate and learn from cases of integrity breaches (corruption, sexual harassment, fraud, mismanagement and other integrity breaches).</li> <li>• support the financial management requests from grantees and identify capacity building needs, (financial) risks and areas for further investigation.</li> </ul>

<sup>2</sup> Information is made available through the Aidsfonds intranet Miles, and can be shared with the ISC upon request.

FMA Core functions		RCF Secretariat functions
5.6 Financial management and reporting		
<p>The operating and accounting currency of RCF, as well as the contracting currency with grantees, is the US Dollar. Donor contributions to RCF and payments to grantees may be made in any currency.</p> <p>All financial transactions, including all expenses, contributions and other funds received by FMA for the benefit of RCF will be maintained and recorded within Aidsfonds' accounting systems in such a way that all RCF transactions can be easily filtered from the systems, thus facilitating financial reporting on the RCF fund.</p> <p>Annual audit reports are guided by the Dialogue and Dissent audit protocol (or its successor) of the Dutch Ministry of Foreign Affairs, as agreed upon by the ISC. The Aidsfonds' audited annual accounts will mention income and expenditure of RCF. A separate project audit will take place on the annual financial report of RCF.</p> <p>The FMA will</p> <ul style="list-style-type: none"> <li>• ensure that its policies, procedures and systems support the financial management of RCF, in line with ISC decisions and relevant donor demands.</li> <li>• undertake control functions on budget.</li> <li>• integrate as appropriate RCF's annual budget/funds into Aidsfonds budget/administration and their monitoring and reconciliation/reporting to ISC, with special reference to management of various currencies and their fluctuation, and the RCF's payment to Aidsfonds in Euro.</li> <li>• regularly report to the RCF Secretariat and the ISC Budget and Accountability Committee on the status and progress of the ISC budget implementation.</li> <li>• be responsible for RCF annual project audit (including its preparation and implementation) in addition to the audit of Aidsfonds annual accounts.</li> </ul>		<p>The RCF Secretariat will:</p> <ul style="list-style-type: none"> <li>• make budgets, reports and prognoses in accordance with agreed upon formats and reporting schedules.</li> <li>• prepare the annual plans and budgets of the RCF for ISC decision, including direct staff costs, direct activity costs, income out of currency fluctuations and indirect costs<sup>3</sup>, including separate budgets for indirect costs allocated for the RCF Secretariat and for FMA core functions, with calculation of overall indirect cost as a percentage of the total RCF budget.</li> <li>• manage the budget approved by the ISC as a whole, in line with the approved budget allocations and in accordance with Aidsfonds policies.</li> <li>• receive regular reports from the FMA on the status and progress of the ISC budget implementation and support the ISC Budget and Accountability Committee in their review and monitoring functions.</li> </ul>

<sup>3</sup> For definitions of costs, see Annex 3

FMA Core functions		RCF Secretariat functions
<b>5.7 Grant-cycle management, monitoring and reporting</b>		
<p>The FMA will</p> <ul style="list-style-type: none"> <li>ensure that the policies, procedures and systems of Aidsfonds support the application process – including the peer review process.</li> <li>align its policies, procedures and systems in ways that contribute effectively and efficiently to the monitoring, analysis and reporting of the results and impact of RCF's work, supporting the PMEL cycle and optimizing benefits of mutual learning and alignment with other programs Aidsfonds is implementing.</li> <li>standardize and coordinate grant management practices/standards and support the RCF Secretariat with appropriate tools.</li> <li>establish project audit requirements/standards and timelines.</li> <li>provide predictable support to the grant management process from the project control office according to tailored and agreed division of labor set out in a workplan adapted to the timeline for the grant cycle and presented to the ISC for information.</li> </ul>		<p>The RCF Secretariat will</p> <ul style="list-style-type: none"> <li>be responsible for managing and implementing the requests for proposals (RFP) in alignment with the Aidsfonds model.</li> <li>provide support to the PAP and ISC for selection and notification of grantees.</li> <li>manage grant relations and grantee capacity building in line with ISC policy on capacity building.</li> <li>manage the oversight and review of grantees work plans, budgets and management systems, including through monitoring visits and attention to due diligence, disbursement payments and CFM management.</li> <li>organize a participatory process to design, approve, evaluate and adapt the PMEL framework with indicators.</li> <li>manage the monitoring and measurement of results and collective impact of RCF, ensuring that reporting efforts will be in line with the donor contracts and the policies and procedures of FMA.</li> <li>ensure that the demands to partner organizations are not duplicated but aligned to the extent possible with other evaluation, learning and reporting efforts within the FMA.</li> </ul>
<b>5.8 Human resource services, office accommodation and ICT</b>		
<p>The FMA will:</p> <ul style="list-style-type: none"> <li>provide a HR package to RCF, identical to the package offered to all Aidsfonds programs and staff, including recruitment, introduction of new staff members, personnel and salary administration, policy based training, company doctor, staff development, and other general and individual HR support.</li> <li>provide office accommodation for the RCF Secretariat, housed within FMA's premises including ICT services, on a basis identical to accommodation offered to all Aidsfonds programs and staff.</li> </ul> <p>The ISC has the right to submit requests to FMA with regard to specific needs that concern the Secretariat or its staff. These requests will be communicated by the Chair of the ISC to the Executive Director of Aidsfonds. Aidsfonds will not unreasonably withhold approval of such requests.</p>		<p>The RCF Secretariat will</p> <ul style="list-style-type: none"> <li>accept to be full members of the Aidsfonds team and comply with the terms and conditions of the HR package and related staff and organization policies including integrity breaches, sexual harassment and anti-discrimination.</li> <li>receive all relevant communication (in Dutch and English) and be invited to, and give priority to attend, all relevant meetings and events.</li> </ul> <p>The RCF Fund Director will take part in all relevant Aidsfonds meetings and structures where decisions are made or relevant issues are discussed affecting the necessary coordination, innovation, problem solving, smooth functioning and effective delivery of the full range of FMA functions.</p>

FMA Core functions		RCF Secretariat functions
<b>5.9 Fundraising and communication</b>		
<p>The FMA will:</p> <ul style="list-style-type: none"> <li>• support the RCF fundraising strategy by: <ul style="list-style-type: none"> <li>○ aligning RCF's fundraising strategy and the FMA's fundraising strategy to avoid conflict of interest.</li> <li>○ consolidating and further building the brand of RCF.</li> <li>○ using its contacts and unique position in the Netherlands to the benefit of RCF and the work of the Fund Director.</li> <li>○ using the expertise and networks of its staff involved in lobbying activities that are based in Washington, Brussels and Geneva.</li> </ul> </li> <li>• support the communications strategy of RCF by: <ul style="list-style-type: none"> <li>○ aligning the communications strategies of RCF and the FMA to avoid conflicting messages.</li> </ul> </li> </ul>		<p>The Secretariat will</p> <ul style="list-style-type: none"> <li>• support the development of a fundraising strategy, give support to the ISC Fundraising Committee and oversee the implementation of the strategy.</li> <li>• support the making of a communications strategy, enact this strategy whereby making use of the supporting structures of FMA, and monitor the implementation of the strategy.</li> <li>• Be responsible for communication activities, products and tools directed at grantees on RCF functions, policies and procedures as required.</li> </ul>
<b>5.10 Decision-making and work cycle</b>		
<p>The FMA will:</p> <ul style="list-style-type: none"> <li>• attend the meetings of the ISC as an observer.</li> <li>• identify managers within Aidsfonds that will be responsible for deliverables of FMA core functions through agreed workplans.</li> <li>• identify managers within Aidsfonds that should have access to meetings of ISC committees.</li> <li>• arrange for an annual meeting of the RCF ISC Chairs and the Aidsfonds Executive Director to evaluate the partnership and discuss the planning for the next calendar year. There will be a report of this meeting.</li> <li>• contribute inputs from the FMA managers to the annual meeting on the extent to which the RCF Secretariat has been able to work in line with FMA's policies, procedures and systems and contribute to smooth functioning and effective delivery in line with this MOU, and indicate areas for improvement related to the collaboration.</li> <li>• present donor contracts to the ISC for review and agreement before they are signed.</li> <li>• present Aidsfonds integrity policies to ISC for review and confirmation as applicable to RCF.</li> </ul>		<p>The RCNF Secretariat will</p> <ul style="list-style-type: none"> <li>• submit one integral annual work plan and budget for RCF to the ISC , on behalf of FMA, including a detailed work plan and budget for the Secretariat and the FMA core functions.</li> <li>• be kept informed by the FMA on the status and progress of the overall ISC budget implementation.</li> <li>• monitor the implementation of the work plan and budget and give quarterly updates to the ISC.</li> <li>• notify the ISC of changes in FMA's strategies and policies that may affect the work of RCF, on behalf of FMA.</li> <li>• contribute inputs from the RCF Secretariat to the annual meeting on the extent to which the FMA managers have been able to contribute to smooth functioning and effective delivery in line with this MOU, and indicate areas for improvement related to the collaboration.</li> </ul>

## Final provisions

Dutch law is applicable to this Memorandum of Understanding

## Duration, adaption and termination of the Memorandum of Understanding

- The term of the Memorandum of Understanding will be five years starting from the date of signature.
- This Memorandum of Understanding will be reviewed on an annual basis.
- If deemed necessary, both parties can agree to adapt the Memorandum of Understanding in line with conclusions drawn during the annual reflection and planning conversation.
- Either party to this Memorandum of Understanding may terminate this Memorandum of Understanding as per 31 December, by giving one year's notice in writing.
- In case this Memorandum of Understanding is terminated, FMA will guarantee continued access to the complete RCF administration and documentation for all relevant parties, including but not limited to the ISC, donors, auditors, evaluators and regulators.
- In the event of closure of or redundancies at RCF, the relevant policies and procedures of FMA will be followed. The ISC will be consulted and involved in any such procedure. Settlement of outstanding obligations will be part of such procedure. All relevant costs will be included in RCF budget and reports.

## Resolution of disputes


- Any dispute or misunderstanding arising between FMA and the ISC will be resolved first by mutual agreement between the two parties.
- An arbitrator, or arbitrators, mutually agreed upon and acceptable to both parties may be engaged only upon exhaustion of avenues for consensual resolution.

## Reservations

Each party is allowed to make a reservation for following this Memorandum of Understanding in case circumstances arise when following up cannot reasonably be expected.

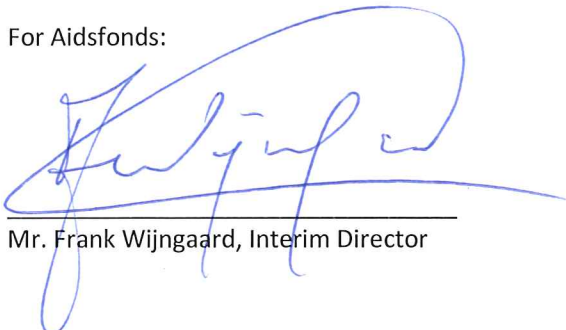
Signed in Amsterdam, on [Date] *20 November 2018*

For RCF:



Mrs. Sigrun Møgedal, ISC chair

For Aidsfonds:



Mr. Frank Wijngaard, Interim Director