

## **Arrangements to govern the use and disbursement of the Russian financial support for the UNECE technical cooperation activities**

### ***Use of contribution***

1. The duration of the projects and activities agreed upon to be financed, as a rule, would be 2 to 3 years. Decisions to extend, modify or terminate any project/activity would be taken in consultation with your Government based on an annual implementation report that would outline the achievements and progress of the project/activity.
2. Projects and activities to be implemented on the territory of the Russian Federation will be partially co-financed from sources other than the Government's contribution.
3. The major geographical focus of the Russian funding will be on the CIS countries with an emphasis on Central Asian States.
4. UNECE will prepare by end of March 2008 specific proposals on projects and activities to be funded from the Russian contribution on the basis of the list of areas outlined in your letter, which, after consultation with your Government, will be submitted to UNECE Executive Committee in accordance with established procedures.
5. Part of the contribution could also be used to enable the participation of specialists and experts from the Russian Federation and EURASEC countries in meetings of relevant UNECE intergovernmental and expert bodies, as well as in capacity building activities organized with financial support from the Russian contribution.
6. A Project Manager position will be established at an appropriate level in the office of the Office of the Executive Secretary and financed fully from your Government's contribution. The Project Manager, who would be located in the Technical Cooperation Unit, would serve as the Liaison Officer between the implementing entities of the UNECE, the Russian governmental authorities and other parties concerned, as well as undertaking other tasks related to the functioning of the Technical Cooperation Unit. In view of the geographical area and scope of the projects, the Project Manager should be a Russian-speaking specialist. The recruitment and appointment of the Project Manager will follow the UN selection procedure.

### ***Administration of the contribution***

7. The receipt and use of the Government's contribution will be governed by and administered in accordance with the applicable UN regulations and rules, policies, directives and procedures in effect.
8. To facilitate tracking and reporting on the use of the contribution, the UNECE will set up, as appropriate, separate trust fund project accounts for projects and activities to be financed by the Russian contribution.
9. In accordance with the UN regulations and rules governing trust funds, an annual Operating Cash Reserve, equivalent to 15% of projected annual expenditures, will be set

aside to meet unexpected cash shortfalls and/or to meet final expenditure needs. The reserve left unused could subsequently be used for projects to be launched or extended in future, in line with evolving needs of recipient countries and results achieved.

10. The projects and activities financed from the Russian contribution will be subject to the standard UN programme support charge for trust funds.

11. The trust fund project accounts will be subject exclusively to auditing procedures provided in the UN regulations and rules.

### ***Proposals for use of contributions***

12. UNECE will provide the Government by mid November each year with an update of the annual implementation plan on the use of the contribution for the following year with a request to transfer the annual contribution of US\$1.2 million accordingly.

### ***Transfer of contributions***

13. The annual contribution should be transferred into the following UN account:

Account number:	485001802
Account in currency:	US Dollar
Account title:	UN Geneva General Fund
Bank name and address:	J.P. Morgan Chase Bank, New York International Agencies Banking 1166, Avenue of the Americas, 17 <sup>th</sup> Floor New York, N.Y. 10036-2708, USA
ABA (US Bank Code):	021000021
Swift Code:	CHAS US 33
Reference:	<b>“Credit to ECE-Russian support for UNECE TC activities”</b>

After the initial contribution for 2008 and in order to enable the timely and smooth implementation of the project activities throughout the 3 year period, it would be highly desirable, if the subsequent year’s annual contribution is transferred to the UN account by the 15<sup>th</sup> of December preceding the implementation year.

### ***Reports***

14. The UNECE will provide the Government of the Russian Federation by the end of February with an annual project/activity implementation report and an annual Funds Utilization Report (in US dollars showing extra budgetary income and expenditure and programme support costs charged) for each project/activity financed/co-financed by the Russian contribution.