

**Addendum 4**  
**(March 2011)**

**STANDARD MEMORANDUM OF UNDERSTANDING (MOU)**  
**FOR THE UN COUNTRY FUND FOR MONTENEGRO**  
**USING PASS-THROUGH FUND MANAGEMENT**

**Memorandum of Understanding  
between  
Participating UN Organizations<sup>1</sup> and  
the United Nations Development Programme  
regarding the Operational Aspects of  
  
the UN Country Fund for Montenegro**

**WHEREAS**, the **Participating United Nations Organizations** signing this Memorandum of Understanding (hereinafter referred to collectively as the "Participating UN Organizations") have developed a UN Country Fund for Montenegro starting on 1 January 2010 and ending on 31 December 2015 (hereinafter referred to as the "Fund"), as may be amended from time to time, as part of their respective development cooperation with the Government of Montenegro, as more fully described in the Terms of Reference of the Fund dated 18 December 2009, (hereinafter referred to as the "TOR"), a copy of which is attached hereto as ANNEX A, and have agreed to establish a coordination mechanism (hereinafter referred to as the "Steering Committee")<sup>2</sup> to facilitate the effective and efficient collaboration between the Participating UN Organizations and the host Government (if applicable) for the implementation of the Fund;

**WHEREAS**, the Participating UN Organizations have agreed that they should adopt a coordinated approach to collaboration with donors who wish to support the implementation of the Fund and have developed a TOR to use as the basis for mobilising resources for the Fund, and have further agreed that they should offer donors the opportunity to contribute to the Fund and receive reports on the Fund through a single channel; and

**WHEREAS**, the Participating UN Organizations have further agreed to ask the United Nations Development Programme (which is also a Participating UN Organization in connection with this Fund) to serve as the administrative interface between the donors and the Participating UN Organizations and for these purposes the United Nations Development Programme has agreed to do so in accordance with this Memorandum of Understanding.

**NOW, THEREFORE**, the Participating UN Organizations (hereinafter referred to collectively as the "Participants") and the United Nations Development Programme hereby agree as follows:

**Section I**

**Appointment of Administrative Agent; its Status, Duties and Fee**

1. The Participating UN Organizations hereby appoint the United Nations Development Programme (hereinafter referred to as the "Administrative Agent") to serve as their Administrative Agent in connection with the Fund, in accordance with

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<sup>1</sup> As indicated in the signature blocks.

<sup>2</sup> The composition of the Steering Committee or other body will include all of the signatories to this MOU, representatives from the host government and may also include donors in accordance with the UNDG-approved Generic MDTF Steering Committee Terms of Reference, dated 20 September 2007.

the terms and conditions set out in this Memorandum of Understanding. The Administrative Agent accepts this appointment on the understanding that the Participating UN Organizations assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent. This appointment will continue until it expires, or is terminated, in accordance with Section VIII below.

2. On behalf of the Participating UN Organizations, the Administrative Agent will:

- (a) Receive contributions from donors that wish to provide financial support to the Fund;
- (b) Administer such funds received, in accordance with this Memorandum of Understanding including the provisions relating to winding up the Fund Account and related matters;
- (c) Subject to availability of funds, disburse such funds to each of the Participating UN Organizations in accordance with instructions from the Steering Committee, taking into account the budget set out in the approved programmatic document<sup>3</sup>, as amended in writing from time to time by the Steering Committee;
- (d) Consolidate statements and reports, based on submissions provided to the Administrative Agent by each Participating UN Organization, as set forth in the TOR, and provide these to each donor that has contributed to the Fund Account and to the Steering Committee;
- (e) Provide final reporting, including notification that the Fund has been fully expended or has been wound up in accordance with the Fund TOR, in accordance with Section IV below;
- (f) Disburse funds to any Participating UN Organization for any additional costs of the task that the Steering Committee may decide to allocate (as referred to in Section I, Paragraph 3) in accordance with TOR.

3. The Steering Committee may request any of the Participating UN Organizations, to perform additional tasks in support of the Fund not related to the Administrative Agent functions detailed in Section I, Paragraph 2 above and subject to the availability of funds. Costs for such tasks will be agreed in advance and with the approval of the Steering Committee be charged to the Fund as direct costs.

4. The Administrative Agent will enter into a Standard Administrative Arrangement, in the form attached hereto as ANNEX B (hereinafter referred to as "Administrative Arrangement"), with each donor that wishes to provide financial support to the Fund through the Administrative Agent. The Administrative Agent will not agree with the Donor to amend the terms of Annex B without prior written

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<sup>3</sup> As used in this document, an approved programmatic document refers to an annual work plan or a programme/project document, etc., which is approved by the Steering Committee for fund allocation purposes.

agreement of the Participating UN Organizations. The Administrative Agent will ensure the posting of a copy of the Administrative Arrangement it enters into, as well as information on donor contributions, on the website of the Administrative Agent ([www.undp.org/mdtf](http://www.undp.org/mdtf)), as well as the website of the UN in Montenegro ([www.undp.org.me/unct/index.html](http://www.undp.org.me/unct/index.html)), as appropriate.

5. None of the Participating UN Organizations will be responsible for the acts or omissions of the Administrative Agent or its personnel, or of persons performing services on its behalf, except in regard to its respective contributory acts or omissions. With respect to contributory acts or omissions of the Participating UN Organizations, the resulting responsibility will be apportioned among them or any one of them to the extent of such contributory acts or omissions, or as may otherwise be agreed. In addition, donors will not be directly responsible for the activities of any person employed by the Participating UN Organizations or the Administrative Agent as a result of this Memorandum of Understanding.

6. The Administrative Agent will be entitled to allocate an administrative fee of one percent (1%) of the amount contributed by each donor signing an Administrative Arrangement, to meet the Administrative Agent's costs of performing the Administrative Agent's functions described in this Memorandum of Understanding.

7. Where the Administrative Agent is also a Participating UN Organization, a clear delineation, including distinct reporting lines and an accountability framework, will be established and maintained within the organization designated as the Administrative Agent between its functions as an Administrative Agent and its functions as a Participating UN Organization.

## **Section II** **Financial Matters**

### **The Administrative Agent**

1. The Administrative Agent will establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds received pursuant to Administrative Arrangement (hereinafter, the "Fund Account"). The Fund Account will be administered by the Administrative Agent in accordance with the regulations, rules, directives and procedures applicable to it, including those relating to interest. The Fund Account will be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the Administrative Agent.

2. The Administrative Agent will not absorb gains or losses on currency exchanges which will increase or decrease the funds available for disbursements to Participating UN Organizations.

3. Subject to the availability of funds, the Administrative Agent will make disbursements from the Fund Account based on instructions from the Steering Committee, in line with the budget set forth in the approved programmatic document, as amended from time to time by the Steering Committee. The disbursements will consist of direct and indirect costs as set out in the budget.

4. The Administrative Agent will normally make each disbursement within three (3) to five (5) business days after receipt of the relevant approved programmatic document, in accordance with the instructions received from the Steering Committee in line with the TOR, along with a copy of the relevant approved programmatic document, signed by all the parties concerned. The Administrative Agent will transfer funds to each Participating UN Organization through wire transfer. Each Participating UN Organization will advise the Administrative Agent in writing of the bank account for transfers pursuant to this Memorandum of Understanding. When making a transfer to a Participating UN Organization, the Administrative Agent will notify that Participating UN Organization's Treasury Operations of the following: (a) the amount transferred, (b) the value date of the transfer; and (c) that the transfer is from the United Nations Development Programme in respect of the Fund in Montenegro pursuant to this Memorandum of Understanding.

5. Where the balance in the Fund Account on the date of a scheduled disbursement is insufficient to make that disbursement, the Administrative Agent will consult with the Steering Committee and make a disbursement, if any, in accordance with the Steering Committee's instructions.

#### The Participating UN Organizations

6. Each Participating UN Organization will establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds disbursed to it by the Administrative Agent from the Fund Account. That separate ledger account will be administered by each Participating UN Organization in accordance with its own regulations, rules, directives and procedures, including those relating to interest. That separate ledger account will be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the Participating UN Organization concerned.

7. Each Participating UN Organization will use the funds disbursed to it by the Administrative Agent from the Fund Account to carry out the activities for which it is responsible as set out in the approved programmatic document, as well as for its indirect costs. The Participating UN Organizations will commence and continue to conduct operations for the programmatic activities only upon receipt of disbursements as instructed by the Steering Committee. The Participating UN Organizations will not make any commitments above the approved budget in the approved programmatic document, as amended from time to time by the Steering Committee. If there is a need to exceed the budgeted amount, the Participating UN Organization concerned will submit a supplementary budget request to the Steering Committee.

8. Indirect costs of the Participating UN Organizations recovered through programme support costs will be 7%. In accordance with the UN General Assembly resolution 62/208 (2007 Triennial Comprehensive Policy Review principle of full cost recovery), all other costs incurred by each Participating UN Organization in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs.

**Section III**  
**Activities of the Participating UN Organizations**

1. The implementation of the programmatic activities will be the responsibility of the Participating UN Organizations and will be carried out by each Participating UN Organization in accordance with its applicable regulations, rules, directives and procedures. On the termination or expiration of this Memorandum of Understanding, the matter of ownership of supplies and equipment will be determined in accordance with the regulations, rules, directives and procedures applicable to such Participating UN Organizations, including, where applicable, any agreement with the host Government.
2. Any modifications to the scope of the approved programmatic document, including the nature, content, sequencing or the duration thereof will be subject to mutual agreement in writing between the relevant Participating UN Organization and the Steering Committee. The Participating UN Organization will promptly notify the Administrative Agent through the Steering Committee, of any change in the budget as set out in the programmatic document.
3. Where a Participating UN Organization wishes to carry out its programmatic activities through or in collaboration with a third party, it will be responsible for discharging all commitments and obligations with such third parties, and no other Participating UN Organization, nor the Administrative Agent, will be responsible for doing so.
4. In carrying out their programmatic activities, none of the Participating UN Organizations will be considered as an agent of any of the others and, thus, the personnel of one will not be considered as staff members, personnel or agents of any of the others. Without restricting the generality of the preceding sentence, none of the Participating UN Organizations will be liable for the acts or omissions of the other Participating UN Organizations or their personnel, or of persons performing services on their behalf.
5. Each Participating UN Organization will advise the Administrative Agent in writing when all activities for which it is responsible under the approved programmatic document have been completed.
6. The Participating UN Organizations recognize that the donors reserve the right to discontinue future contributions if reporting obligations are not met as set forth in the Administrative Arrangement; or if there are substantial deviations from agreed plans and budgets. If it is agreed among the donor(s), the Administrative Agent and the concerned Participating UN Organization under the Administrative Arrangement that there is evidence of improper use of funds, the Participating UN Organization will use its best efforts, consistent with its regulations, rules, policies and procedures to recover any funds misused. The Participating UN Organization will, in consultation with the Steering Committee and the Administrative Agent, credit any funds so recovered to the Fund Account or agree with the Steering Committee to use these funds for a purpose mutually agreed upon. Before withholding future contributions or requesting recovery of funds and credit to the Fund Account, the Administrative

Agent, the concerned Participating UN Organization and the donor will consult with a view to promptly resolving the matter.

7. The Participating UN Organizations recognize that it is important to take all necessary precautions to avoid corrupt, fraudulent, collusive or coercive practices. To this end, each Participating UN Organization will maintain standards of conduct that govern the performance of their 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 their Staff Regulations and Rules and Financial Regulations and Rules, including regarding procurement. In the event that a Participating UN Organization determines that an allegation in relation to the implementation of activities – including that corrupt, fraudulent, collusive or coercive practices may have taken place - is credible enough to warrant an investigation, it will promptly notify the Steering Committee and the Administrative Agent, to the extent that such notification does not jeopardize the conduct of the investigation. The allegation will be dealt with in accordance with the Participating UN Organization's accountability and oversight framework and by the Participating UN Organization's unit in charge of investigations. Upon completion of the investigation, the Participating UN Organization will inform the Steering Committee and the Administrative Agent about the results of the investigation.

8. As an exceptional measure, particularly during the start up phase of the Fund, subject to conformity with their financial regulations, rules and directives, Participating UN Organizations may elect to start implementation of programmatic activities in advance of receipt of initial or subsequent transfers from the Fund Account by using their own resources. Such advance activities will be undertaken in agreement with the Steering Committee on the basis of funds it has allocated or approved for implementation by the particular Participating UN Organization following receipt by the Administrative Agent of an official commitment form or signature of the Administrative Arrangements by donors contributing to the Fund. Participating UN Organizations will be solely responsible for decisions to initiate such advance activities or other activities outside the parameters set forth above.

#### **Section IV** **Reporting**

1. Each Participating UN Organization will provide the Administrative Agent with the following statements and reports prepared in accordance with the accounting and reporting procedures applicable to the Participating UN Organization concerned, as set forth in the TOR. The Participating UN Organizations will endeavour to harmonize their reporting formats to the extent possible.

- (a) Annual narrative progress reports, to be provided no later than three months (31 March) after the end of the calendar year;
- (b) Annual financial statements and reports as of 31 December with respect to the funds disbursed to it from the Fund Account, to be provided no later than four months (30 April) after the end of the calendar year;

- (c) Final narrative reports, after the completion of the activities in the approved programmatic document and including the final year of the activities in the approved programmatic document, to be provided no later than four months (30 April) of the year following the financial closing of the Fund. The final report will give a summary of results and achievements compared to the goals and objectives of the Fund; and
  - (d) Certified final financial statements and final financial reports after the completion of the activities in the approved programmatic document and including the final year of the activities in the approved programmatic document, to be provided no later than six months (30 June) of the year following the financial closing of the Fund.
2. The Administrative Agent will prepare consolidated narrative progress and financial reports, based on the reports referred to in paragraph 1 (a) to (d) above, and will provide those consolidated reports to each donor that has contributed to the Fund Account, as well as the Steering Committee, in accordance with the timetable established in the Administrative Arrangement.
3. The Administrative Agent will also provide the donors, Steering Committee and Participating UN Organizations with the following statements on its activities as Administrative Agent:
- (a) Certified annual financial statement ("Source and Use of Funds" as defined by UNDG guidelines) to be provided no later than five months (31 May) after the end of the calendar year; and
  - (b) Certified final financial statement ("Source and Use of Funds") to be provided no later than seven months (31 July) of the year following the financial closing of the Fund.
4. Consolidated reports and related documents will be posted on the websites of the UN in Montenegro ([www.undp.org.me/unct/index.html](http://www.undp.org.me/unct/index.html)) and the Administrative Agent ([www.undp.org/mdtf](http://www.undp.org/mdtf)).

## **Section V** **Monitoring and Evaluation**

1. Monitoring and evaluation of the Fund will be undertaken in accordance with the provisions contained in the TOR, which are consistent with the respective regulations, rules and procedures of the Participating UN Organizations.
2. The donor(s), the Administrative Agent and the Participating UN Organizations will hold annual consultations, as appropriate, to review the status of the Fund.

## **Section VI** **Audit**

1. The Administrative Agent and Participating UN Organizations will be audited in accordance with their own Financial Regulations and Rules. The Internal Audit Services (IAS) of each Participating UN Organization will prepare a summary of the internal audit reports on activities related to the Fund of Montenegro at intervals agreed upon between the IAS of Participating UN Organizations and of the Administrative Agent. The IAS of each Participating UN Organization will share its summary with its Representative in the Montenegro Country Office, who will then share it with the Steering Committee.

## **Section VII** **Joint Communication**

1. Each Participating UN Organization will take appropriate measures to publicize the Fund and to give due credit to the other Participating UN Organizations. Information given to the press, to the beneficiaries of the Fund, all related publicity material, official notices, reports and publications, will acknowledge the role of the host Government, the donors, the Participating UN Organizations, the Administrative Agent and any other relevant entities. In particular, the Administrative Agent will include and ensure due recognition of the role of each Participating UN Organization and national partner in all external communications relating to the Fund.

2. The Administrative Agent in consultation with the Participating UN Organizations will ensure that decisions regarding the review and approval of the Fund as well as periodic reports on the progress of implementation of the Fund and associated external evaluations are posted, where appropriate, for public information on the websites of UN in Montenegro ([www.undp.org.me/unct/index.html](http://www.undp.org.me/unct/index.html)) and the Administrative Agent ([www.undp.org/mdtf](http://www.undp.org/mdtf)). Such reports and documents may include Steering Committee approved programmes and programmes awaiting approval, fund level, annual financial and progress reports and external evaluations, as appropriate.

## **Section VIII** **Expiration, Modification and Termination**

1. This Memorandum of Understanding will expire upon winding up of the Fund, subject to the continuance in force of paragraph 5 below for the purposes therein stated.

2. This Memorandum of Understanding may be modified only by written agreement between the Participants.

3. Any of the Participating UN Organizations may withdraw from this Memorandum of Understanding upon giving thirty (30) days' written notice to all other Participants to this Memorandum of Understanding subject to the continuance in force of paragraph 5 below for the purpose therein stated.

4. The Administrative Agent's appointment may be terminated by the Administrative Agent (on the one hand) or by the mutual agreement of all Participating UN Organizations (on the other hand) on thirty (30) days' written notice to the other party, subject to the continuance in force of paragraph 5 below for the

purpose therein stated. In the event of such termination, the Participants will agree on measures to bring all activities to an orderly and prompt conclusion so as to minimize costs and expense.

5. Commitments assumed by the withdrawing or terminating Participants under this Memorandum of Understanding will survive the expiration or termination of this Memorandum of Understanding or the termination of the Administrative Agent or withdrawal of a Participating UN Organization to the extent necessary to permit the orderly conclusion of the activities and the completion of final reports, the withdrawal of personnel, funds and property, the settlement of accounts between the Participants hereto and the settlement of contractual liabilities that are required in respect of any subcontractors, consultants or suppliers. Any balance remaining in the Fund Account or in the individual Participating UN Organizations' separate ledger accounts upon winding up of the Fund will be used for a purpose mutually agreed upon or returned to the donor(s) in proportion to their contribution to the Fund as agreed upon by the donors and the Steering Committee.

#### **Section IX** **Notices**

1. Any action required or permitted to be taken under this Memorandum of Understanding may be taken on behalf of the Administrative Agent by the Executive Coordinator, Multi-Donor Trust Fund (MDTF) Office, or his or her designated representative, and on behalf of a Participating UN Organization by the head of office in Montenegro, or his or her designated representative.

2. Any notice or request required or permitted to be given or made in this Memorandum of Understanding will be in writing. Such notice or request will be deemed to be duly given or made when it will have been delivered by hand, mail or any other agreed means of communication to the party to which it is required to be given or made, at such party's address specified in ANNEX C to this Memorandum of Understanding or at such other address as the party will have specified in writing to the party giving such notice or making such request.

#### **Section X** **Entry into Effect**

This Memorandum of Understanding will come into effect upon signature by authorized officials of the Participants and will continue in full force and effect until it is expired or terminated.

#### **Section XI** **Settlement of Disputes**

1. The Participants will use their best efforts to promptly settle through direct negotiations any dispute, controversy or claim arising out of or in connection with this Memorandum of Understanding or any breach thereof. Any such dispute, controversy or claim which is not settled within sixty (60) days from the date either party has notified the other party of the nature of the dispute, controversy or claim and of the measures which should be taken to rectify it, will be resolved through consultation

between the Executive Heads of each of the Participating UN Organizations and of the Administrative Agent.

IN WITNESS WHEREOF, the undersigned, duly authorized representatives of the respective Participants, have signed this Memorandum of Understanding in the English in two<sup>4</sup> copies.

**For the Administrative Agent**

Signature: \_\_\_\_\_  
Name: Bisrat Aklilu  
Title: Executive Coordinator, MDTF Office, UNDP  
Place: New York, USA  
Date: \_\_\_\_\_

**For the UNDP:**

Signature: \_\_\_\_\_  
Name: Francisco Roquette  
Title: Deputy Resident Representative  
Place: Podgorica, Montenegro  
Date: \_\_\_\_\_

**For the UNHCR:**

Signature: \_\_\_\_\_  
Name: Serge Ducasse  
Title: Representative  
Place: Podgorica, Montenegro  
Date: \_\_\_\_\_

**For the UNICEF:**

Signature: \_\_\_\_\_  
Name: Noala Skinner  
Title: Representative  
Place: Podgorica, Montenegro  
Date: \_\_\_\_\_

**For the WHO:**

Signature: \_\_\_\_\_  
Name: Mina Brajovic  
Title: Head of Country Office  
Place: Podgorica, Montenegro  
Date: \_\_\_\_\_

**For the FAO:**

Signature: \_\_\_\_\_  
Name: Ms. Fernanda Guerrieri  
Title: Sub-regional Coordinator (SEUR)  
Place: Budapest, Hungary  
Date: \_\_\_\_\_

**For the UNESCO:**

Signature: \_\_\_\_\_  
Name: Engelbert Ruoss  
Title: Director, UNESCO-BRESCE  
Place: Venice, Italy  
Date: \_\_\_\_\_

**For the UNFPA:**  
Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

**For the UNEP**

Signature: *Urean, oic*  
Name: *Ch* Christophe Bouvier  
Title: Director and Regional Representative (Europe)  
Place: Geneva, Switzerland  
Date: *26/4/10*

This Memorandum of Understanding has been signed in the presence of:

Signature: \_\_\_\_\_  
Name: Alexander Avanesov  
Title: UN Resident Coordinator for Montenegro  
Place: Podgorica, Montenegro  
Date: \_\_\_\_\_

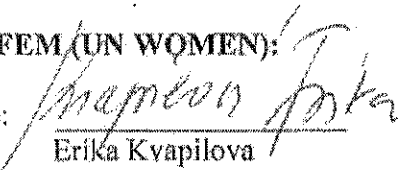
<sup>4</sup> Additional signatories can be included through an addendum

IN WITNESS WHEREOF, the undersigned, duly authorized representatives of the respective Participants, have signed this Memorandum of Understanding in the English in two<sup>5</sup> copies.

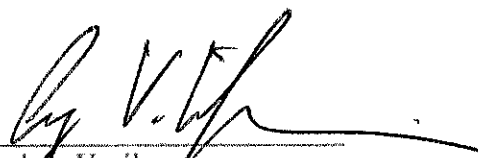
**For the Administrative Agent**

Signature: \_\_\_\_\_  
Name: Bisrat Aklilu  
Title: Executive Coordinator, MDTF Office, UNDP  
Place: New York, USA  
Date: \_\_\_\_\_


**For UNIFEM (UN WOMEN):**

Signature:   
Name: Erika Kvapilova  
Title: Regional Programme Director  
Place: Bratislava, Slovak Republic  
Date: December 20, 2010

**For UNECE**

Signature:   
Name: Andrey Vasilyev  
Title: Deputy Executive Secretary of the UNECE  
Place: Geneva, Switzerland  
Date: - 8 MAR 2011

This Memorandum of Understanding has been signed in the presence of:

Signature:   
Name: Alexander Avanesov  
Title: UN Resident Coordinator for Montenegro  
Place: Podgorica, Montenegro  
Date: 7 MARCH 2011

<sup>5</sup> Additional signatories can be included through an addendum

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ANNEX A: UN Country Fund for Montenegro - Terms of Reference

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ANNEX B: Standard Administrative Arrangement between the Donor and the  
Administrative Agent

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ANNEX C: Notices

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ANNEX A

**UN COUNTRY FUND FOR MONTENEGRO**

**TERMS OF REFERENCE**

See separate attachment

## ANNEX B

### **STANDARD ADMINISTRATIVE ARRANGEMENT FOR 'DELIVERING AS ONE'/'ONE UN' FUNDS USING PASS-THROUGH FUND MANAGEMENT<sup>5</sup>**

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<sup>5</sup> **[TO BE DELETED BEFORE SIGNING:** *This Standard Administrative Arrangement has been agreed upon by the members of the United Nations Development Group (UNDG). Any substantial ('substantial' would imply changes that are linked to the legal relationships described in the Standard Administrative Arrangement, the governance mechanisms, reporting arrangements or equivalent) modification to the Standard Administrative Arrangement requires the prior written agreement of the Participating UN Organizations and Administrative Agent of the particular MDTF, and needs be cleared by the UNDG Advisory Group through the UN Development Operations Coordination Office (DOCO).]*

**Standard Administrative Arrangement  
between  
[Name of Donor]  
and  
the United Nations Development Programme**

**WHEREAS**, Participating United Nations Organizations that have signed a Memorandum of Understanding (hereinafter referred to collectively as the "Participating UN Organizations") have developed a [name of Fund (hereinafter referred to as the "Fund") starting on [start date] and ending on [end date], as may be amended from time to time, as part of their respective development cooperation with the Government of [name of country], as more fully described in the Terms of Reference of the Fund (hereinafter referred to as the "TOR"), a copy of which is attached hereto as ANNEX A, and have agreed to establish a coordination mechanism (hereinafter referred to as the "Steering Committee")<sup>6</sup> to facilitate the effective and efficient collaboration between the Participating UN Organizations and the host Government for the implementation of the Fund;

**WHEREAS**, the Participating UN Organizations have agreed that they should adopt a coordinated approach to collaboration with donors who wish to support the implementation of the Fund and have developed a TOR to use as the basis for mobilising resources for the Fund, and have further agreed that they should offer donors the opportunity to contribute to the Fund and receive reports on the Fund through a single channel; and

**WHEREAS**, the Participating UN Organizations have appointed the United Nations Development Programme (hereinafter referred to as the "Administrative Agent") (which is also a Participating UN Organisation in connection with the Fund)<sup>7</sup> in a Memorandum of Understanding (hereinafter referred to as "MOU") concluded between, the Administrative Agent and Participating UN Organizations on [date], to serve as their administrative interface between donors and the Participating UN Organizations for these purposes. To that end the Administrative Agent has established a separate ledger account under its financial regulations and rules for the receipt and administration of the funds received from donors who wish to provide financial support to the Fund through the Administrative Agent (hereinafter referred to as the "Fund Account"); and

**WHEREAS**, [Name of Donor] (hereinafter referred to as the "Donor") wishes to provide financial support to the Fund on the basis of the TOR as part of its development cooperation with the Government of [name of country] and wishes to do so through the Administrative Agent as proposed by the Participating UN Organizations.

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<sup>6</sup> The composition of the Steering Committee or other body will include all the signatories to the Memorandum of Understanding, representative(s) from the host Government (if applicable), and may include donors, in accordance with UNDG approved Generic MDTF Steering Committee Terms of Reference dated 20 September 2007.

<sup>7</sup> In most cases, the Administrative Agent will also be a Participating UN Organization. However, where the Administrative Agent is not a Participating UN Organization, this provision can be deleted.

NOW, THEREFORE, the Donor and the Administrative Agent (hereinafter referred to collectively as the "Participants") hereby decide as follows:

**Section I**  
**Disbursement of Funds to the Administrative Agent**  
**and the Fund Account**

1. The Donor decides to make a contribution of **[amount in words]** (**[amount in figures]**) and such further amounts as it may decide (hereinafter referred to as the "Contribution") to support the Fund. The Contribution will enable the Participating UN Organizations to support the Fund in accordance with the TOR, as amended from time to time in writing by the Steering Committee. The Donor authorizes the Administrative Agent to use the Contribution for the purposes of the Fund and in accordance with this Standard Administrative Arrangement (hereinafter referred to as "Arrangement"). The Donor acknowledges that the Contribution will be co-mingled with other contributions to the Fund Account and that it will not be separately identified or administered.

2. The Donor will deposit the Contribution by wire transfer, in accordance with the schedule of payments set out in ANNEX B to this Arrangement, in convertible currencies of unrestricted use, to the following account:

*For payment in USD:*

Name of Account: UNDP Multi-Donor Trust Fund Office (USD) Account  
Account Number: 790440309  
Name of Bank: JPMorgan Chase Bank  
International Agencies Banking  
Address of Bank: 270 Park Avenue, 43rd Floor  
New York, New York 10017  
SWIFT Code: CHASUS33  
ABA: 021000021  
Reference: [Name of Fund] Account

*For payment in Euro:*

Name of Account: UNDP Contributions Account  
Account Number: 600862722022  
Name of Bank: Bank of America London  
Address of Bank: 5 Canada Square  
London E14 5AQ England  
SWIFT: BOFAGB22  
IBAN: GB59 BOFA 1650 5062 7220 22  
Reference: [Name of Fund] Account

3. When making a transfer to the Administrative Agent, the Donor will notify the Administrative Agent's Treasury Operations at [mdtfo.treasury@undp.org](mailto:mdtfo.treasury@undp.org) and the MDTF Office at [executivecoordinator.mdtfo@undp.org](mailto:executivecoordinator.mdtfo@undp.org) of the following: (a) the amount transferred, (b) the value date of the transfer; and (c) that the transfer is from **[name of Donor]** in respect of the Fund in **[name of country]** pursuant to this Arrangement. The Administrative Agent will promptly acknowledge receipt of funds in writing.

4. All financial accounts and statements will be expressed in United States dollars.
5. The US dollar value of a contribution-payment, if made in currencies other than United States dollars, will be determined by applying the United Nations operational rate of exchange in effect on the date of receipt of the Contribution. The Administrative Agent will not absorb gains or losses on currency exchanges. Such amounts will increase or decrease the funds available for disbursements to Participating UN Organizations.
6. The Fund Account will be administered by the Administrative Agent in accordance with the regulations, rules, directives and procedures applicable to it, including those relating to interest. The Fund Account will be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the Administrative Agent.
7. The Administrative Agent will be entitled to allocate an administrative fee of one percent (1%) of the Contribution by the Donor, to cover the Administrative Agent's costs of performing the Administrative Agent's functions.
8. The Steering Committee may request any of the Participating UN Organizations, to perform additional tasks in support of the Fund not related to the Administrative Agent functions detailed in Section I, Paragraph 2 of the Memorandum of Understanding and subject to the availability of funds. In this case, costs for such tasks will be decided in advance and with the approval of the Steering Committee be charged to the Fund as direct costs.

**Section II**  
**Disbursement of Funds to the Participating UN Organizations**  
**and a Separate Ledger Account**

1. The Administrative Agent will make disbursements from the Fund Account in accordance with instructions from the Steering Committee, in line with the approved programmatic document<sup>8</sup>, as amended in writing from time to time by the Steering Committee. The disbursement to the Participating UN Organizations will consist of direct and indirect costs as set out in the programme budget.
2. Each Participating UN Organization will establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds disbursed to it from the Fund Account. Each Participating UN Organization assumes full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent. That separate ledger account will be administered by each Participating UN Organization in accordance with its own regulations, rules, directives and procedures, including those relating to interest. That separate ledger account will be subject exclusively to the internal and external auditing procedures

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<sup>8</sup> As used in this document, an approved programmatic document refers to an annual work plan or a programme/project document, etc., which is approved by the Steering Committee for fund allocation purposes.

laid down in the financial regulations, rules, directives and procedures applicable to the Participating UN Organization.<sup>9</sup>

3. Where the balance in the Fund Account on the date of a scheduled disbursement is insufficient to make that disbursement, the Administrative Agent will consult with the Steering Committee and make a disbursement, if any, in accordance with the Steering Committee's instructions.

### **Section III** **Implementation of the Programme**

1. The implementation of the programmatic activities which the Donor assists in financing under this Arrangement will be the responsibility of the Participating UN Organizations and will be carried out by each Participating UN Organization in accordance with its own applicable regulations, rules, policies and procedures including relating to procurement. The Donor will not be directly responsible or liable for the activities of any person employed by the Participating UN Organizations or the Administrative Agent as a result of this Arrangement,

2. The Participating UN Organizations will carry out the activities for which they are responsible, in line with the budget contained in the approved programmatic document, as amended from time to time by the Steering Committee in accordance with the regulations, rules, directives and procedures applicable to it. Accordingly, personnel will be engaged and administered, equipment, supplies and services purchased, and contracts entered into in accordance with the provisions of such regulations, rules, directives and procedures.

3. Indirect costs of the Participating UN Organizations recovered through programme support costs will be 7%. In accordance with the UN General Assembly resolution 62/208 (2007 Triennial Comprehensive Policy Review principle of full cost recovery), all other costs incurred by each Participating UN Organization in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs.

5. The Participating UN Organizations will commence and continue to conduct operations for the programmatic activities only upon receipt of disbursements as instructed by the Steering Committee.

5. The Participating UN Organizations will not make any commitments above the budgeted amounts in approved programmatic document, as amended from time to time by the Steering Committee.

6. If unforeseen expenditures arise, the Steering Committee will submit, through the Administrative Agent, a supplementary budget to the Donor showing the further financing that will be necessary. If no such further financing is available, the activities to be carried out under the approved programmatic document may be reduced or, if necessary, terminated by the Participating UN Organizations. In no event will the

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<sup>9</sup> Where the Administrative Agent is also a Participating UN Organization, it will need to open its own separate ledger account and transfer funds from the Fund Account to its separate ledger account.

Participating UN Organizations assume any liability in excess of the funds transferred from the Fund Account.

7. The Donor reserves the right to discontinue future contributions if reporting obligations are not met as set forth in this Arrangement; or if there are substantial deviations from agreed plans and budgets. If it is agreed among the Donor, the Administrative Agent and the concerned Participating UN Organization under the Arrangement that there is evidence of improper use of funds, the Participating UN Organization will use their best efforts, consistent with their regulations, rules, policies and procedures to recover any funds misused. The Participating UN Organization will, in consultation with the Steering Committee and the Administrative Agent, credit any funds so recovered to the Fund Account or agree with the Steering Committee to use these funds for a purpose mutually agreed upon. Before withholding future contributions or requesting recovery of funds and credit to the Fund Account, the Administrative Agent, the concerned Participating UN Organization and the Donor will consult with a view to promptly resolving the matter.

8. The Participants recognize that it is important to take all necessary precautions to avoid corrupt, fraudulent, collusive or coercive practices. To this end, as set out in the MoU between the Administrative Agent and Participating UN Organizations regarding the Operational Aspects of the [name of Fund], each Participating UN Organization will 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 their Staff Regulations and Rules and the Financial Regulations and Rules, including regarding procurement.

#### **Section IV** **Equipment and Supplies**

On the termination or expiration of this Arrangement, the matter of ownership of equipment and supplies will be determined in accordance with the regulations, rules, directives and procedures applicable to such Participating UN Organization, including any agreement with the relevant host Government if applicable.

#### **Section V** **Reporting**

1. The Administrative Agent will provide the Donor and the Steering Committee with the following statements and reports, based on submissions provided to the Administrative Agent by each Participating UN Organization prepared in accordance with the accounting and reporting procedures applicable to it, as set forth in the TOR:

- (a) Annual consolidated narrative progress reports, based on annual narrative progress reports received from Participating UN Organizations, to be provided no later than five months (31 May) after the end of the calendar year;
- (b) Annual consolidated financial reports, based on annual financial statements and reports, to be received from the Participating UN Organizations, as of 31 December with respect to the funds disbursed

to them from the Fund Account, to be provided no later than five months (31 May) after the end of the calendar year;

- (c) Final consolidated narrative report, based on final narrative reports received from Participating UN Organizations after the completion of the activities in the approved programmatic document and including the final year of the activities in the approved programmatic document, to be provided no later than seven months (31 July) of the year following the financial closing of the Fund. The final consolidated narrative report will contain a summary of the results and achievements compared to the goals and objectives of the Fund.
- (d) Final consolidated financial report, based on certified final financial statements and final financial reports received from Participating UN Organizations after the completion of the activities in the approved programmatic document and including the final year of the activities in the approved programmatic document/, to be provided no later than seven months (31 July) of the year following the financial closing of the Fund.

2. The Administrative Agent will provide the Donor, Steering Committee and Participating UN Organizations with the following reports on its activities as Administrative Agent:

- (a) Certified annual financial statement (“Source and Use of Funds” as defined by UNDG guidelines) to be provided no later than five months (31 May) after the end of the calendar year; and
- (b) Certified final financial statement (“Source and Use of Funds”) to be provided no later than seven months (31 July) of the year following the financial closing of the Fund.

3. Consolidated reports and related documents will be posted on the websites of the UN in [country] [website URL] and the Administrative Agent ([www.undp.org/mdtf](http://www.undp.org/mdtf)).

## **Section VI** **Monitoring and Evaluation**

1. Monitoring and evaluation of the Fund including, as necessary and appropriate, joint evaluation by the Participating UN Organizations, the Administrative Agent, the Donor, the host Government and other partners will be undertaken in accordance with the TOR.

2. The Donor, the Administrative Agent and the Participating UN Organizations will hold annual consultations as appropriate to review the status of the Fund.

**Section VII**  
**Joint Communication**

1. Information given to the press, to the beneficiaries of the Fund, all related publicity material, official notices, reports and publications, will acknowledge the role of the Government of [name of country], the donors, the Participating UN Organizations, the Administrative Agent and any other relevant entities.
2. The Administrative Agent in consultation with the Participating UN Organizations will ensure that decisions regarding the review and approval of the Fund as well as periodic reports on the progress of implementation of the Fund, associated external evaluations are posted, where appropriate, for public information on the websites of the UN in [country] [website URL] and the Administrative Agent (www.undp.org/mdtf). Such reports and documents may include Steering Committee approved programmes and programmes awaiting approval, fund level annual financial and progress reports and external evaluations, as appropriate.

**Section VIII**  
**Expiration, Modification and Termination**

1. The Administrative Agent will notify the Donor when it has received notice from all Participating UN Organizations that the activities for which they are responsible under the approved programmatic document have been completed. The date of the last notification received from a Participating UN Organization will be deemed to be the date of expiration of this Arrangement, subject to the continuance in force of paragraph 4 below for the purposes therein stated.
2. This Arrangement may be modified only by written agreement between the Participants.
3. This Arrangement may be terminated by either Participant on thirty (30) days of a written notice to the other Participants, subject to the continuance in force of paragraph 4 below for the purpose therein stated.
4. Commitments assumed by the Donor and the Administrative Agent under this Arrangement will survive the expiration or termination of this Arrangement to the extent necessary to permit the orderly conclusion of activities, the withdrawal of personnel, funds and property, the settlement of accounts between the Participants hereto and the Participating UN Organizations and the settlement of contractual liabilities required in respect of any subcontractors, consultants or suppliers. Any balance remaining in the Fund Account or in the individual Participating UN Organizations' separate ledger accounts upon winding up of the Fund will be used for a purpose mutually agreed upon or returned to the donor(s) in proportion to their contribution to the Fund as decided upon by the donor(s) and the Steering Committee.

**Section IX**  
**Notices**

1. Any action required or permitted to be taken under this Arrangement may be taken on behalf of the Donor, by \_\_\_\_\_ or his or her designated representative,

and on behalf of the Administrative Agent, by the Executive Coordinator, Multi-Donor Trust Fund (MDTF) Office or his or her designated representative.

2. Any notice or request required or permitted to be given or made in this Arrangement will be in writing. Such notice or request will be deemed to be duly given or made when it will have been delivered by hand, mail, or any other agreed means of communication to the party to which it is required to be given or made, at such party's address specified below or at such other address as the party will have specified in writing to the party giving such notice or making such request.

*For the Donor:*

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

Electronic mail: \_\_\_\_\_

*For the Administrative Agent:*

Name: Bisrat Aklilu

Title: Executive Coordinator, MDTF Office, UNDP

Address: 828 Second Avenue, New York, NY 10017, USA

Telephone: +1 212 906 6880

Facsimile: +1 212 906 6990

Electronic mail: bisrat.aklilu@undp.org

**Section X**  
**Entry into Effect**

This Arrangement will come into effect upon signature thereof by the Participants and will continue in effect until it is expired or terminated.

**[If the Donor is a Government, use the following:]**

**Section XI**  
**Settlement of Disputes**

[1. Any dispute arising out of the Donor's Contribution to the Fund will be resolved amicably through dialogue among the Donor, the Administrative Agent and the concerned Participating UN Organization.]

**[Section XII**  
**Privileges and Immunities]**

[1. Nothing in this Standard Administrative Arrangement will be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, the Administrative Agent, or each Participating UN Organization.]

**[If the Donor is not a Government, use the following:]**

**Section XI**

**Settlement of disputes**

[1. Amicable settlement. The Participants will use their best efforts to settle amicably any dispute, controversy or claim arising out of, or relating to this Standard Administrative Arrangement or the breach, termination or invalidity thereof. Where the Participants wish to seek such an amicable settlement through conciliation, the conciliation will take place in accordance with the UNCITRAL Conciliation Rules then obtaining, or according to such other procedure as may be agreed between the Participants.]

[2. Arbitration. Any dispute, controversy or claim between the Participants arising out of this Standard Administrative Arrangement or the breach, termination or invalidity thereof, unless settled amicably under the preceding paragraph within sixty (60) days after receipt by one party of the other party's written request for such amicable settlement, will be referred by either party to arbitration before a single arbitrator in accordance with the UNCITRAL Arbitration Rules then obtaining. The arbitral tribunal will have no authority to award punitive damages. The Participants will be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute.]

**Section XII**

**Privileges and Immunities**

[1. Nothing in this Standard Administrative Arrangement will be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, the Administrative Agent, or each Participating UN Organization.]

**IN WITNESS WHEREOF**, the undersigned, being duly authorized by the respective Participants, have signed the present Arrangement in English in two copies.

*For the Donor:*

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

*For the Administrative Agent:*

Signature: \_\_\_\_\_  
Name: Bisrat Aklilu  
Title: Executive Coordinator  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

The present Arrangement has been signed in the presence of:

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: UN Resident Coordinator in [name of the host country  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_ ]

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ANNEX A: Terms of Reference

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ANNEX B: Schedule of Payments

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## ANNEX C

### NOTICES

#### ***For the Administrative Agent:***

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#### ***For UNDP:***

Name: Mr. Francisco Roquette  
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#### ***For UNHCR:***

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#### ***For UNICEF:***

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#### ***For WHO:***

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***For FAO:***

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***For UNESCO:***

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***For UNIDO:***

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***For UNIFEM (UN WOMEN):***

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***For UNECE:***

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