Dear Mrs. Lintvelt:

1. We are pleased to acknowledge on behalf of the International Bank for Reconstruction and Development and the International Development Association (collectively, the “Bank”) the intention of the Minister for Foreign Trade and Development Cooperation of the Netherlands (the “Donor”, and together with the Bank, the “Participants” and each a “Participant”) to make available the sum of five million nine hundred thousand Euros (EUR 5,900,000) (the “Contribution”) for the Multi-Donor Trust Fund for Forced Displacement (Trust Fund No. TF072638) in accordance with the provisions of this Administration Arrangement. Other donors are also expected to contribute to the Trust Fund on the basis specified in the Annexes to this Administration Arrangement.

2. The Contribution will be used to finance the activities set forth in the “Governance Structure, Description of Activities and Expenditures under the Multi-Donor Trust Fund for Forced Displacement” (the “Description of Activities”) attached hereto as Annex 1.

3. The Contribution will be administered by the Bank on behalf of the Donor in accordance with the provisions of this Administration Arrangement, including the “Standard Provisions Applicable to the Multi-Donor Trust Fund for Forced Displacement” (the “Standard Provisions”) attached hereto as Annex 2 and the “Standard Provisions Applicable to Grants Made by the World Bank, as Administrator of Various Trust Funds, to UN Organizations that are Signatories to the Fiduciary Principles Accord concluded in December 2008”, dated April 2009 (“FPA Standard Provisions”) attached hereto as Annex 3.

4. The Donor hereby authorizes the Bank, promptly following countersignature of this Administration Arrangement, to transfer the Contribution funds received by the Bank from the Donor on December 18, 2018 to the Trust Fund.

5. In providing funds under this Administration Arrangement, the Donor does not intend to accept any responsibility or liability towards any third parties for any claims, debts, demands, damage or loss as a result of the implementation of the activities under the Trust Fund.

6. a. The currency in which the funds in the Trust Fund will be held is United States dollars (the “Holding Currency”).

Nathalie Lintvelt
Head of Migration and Development Division
Department for Stabilization and Humanitarian Aid
Ministry of Foreign Affairs
Rijnstraat 8, 2515 XP Den Haag
Netherlands
b. In the case of deposits received in a Contribution Currency other than the Holding Currency, promptly upon the receipt of such amounts and the accompanying Deposit Instructions, the Bank will convert such amounts into the Holding Currency at the exchange rate obtained by the Bank on the date of the conversion. Where deposits prove to be insufficient to complete activities as a result of exchange rate fluctuations, neither the Bank nor the Donor will bear any responsibility for providing any additional financing.

7. Any notice, request or other communication to be given or made under this Administration Arrangement will be in writing and delivered by mail, fax or e-mail to the respective Participant’s address specified below or at such other address as such Participant notifies in writing to the other Participant from time to time:

For the Bank:

Xavier Devictor
Manager
Global Theme Department – Fragility, Conflict & Violence
The World Bank
1818 H Street, NW
Washington, DC 20433
U.S.A.
Tel: +1 202 458 8036
Email: Xdevictor@worldbank.org

For the Donor:

Nathalie Lintvelt
Head of Migration and Development Division
Ministry of Foreign Affairs
Rijnstraat 8, 2515 XP Den Haag
Netherlands
Tel: +31 703 484 688
Email: Nathalie.Lintvelt@minbuza.nl

8. The Contribution will be administered in accordance with the Bank’s applicable policies and procedures, as the same may be amended from time to time, including its procurement, financial management, disbursement and safeguard policies, its framework to prevent and combat fraud and corruption and its screening procedures to prevent the use of Bank resources to finance terrorist activity, in line with the Bank's obligations to give effect to the relevant decisions of the Security Council taken under Chapter VII of the of Charter of the United Nations. The Donor acknowledges that this provision does not create any obligations of the Bank under the anti-terrorist financing and asset control laws, regulations, rules and executive orders of an individual member country that may apply to a Donor.

9. In the event any amounts are to be returned to the Donor under this Administration Arrangement, the Bank will transfer such amounts to the Donor, unless otherwise mutually decided with the Bank. When making any deposit, the Bank will include in its deposit details information (remittance advice) field of its SWIFT deposit message, information indicating: the amount deposited, that the deposit is made by the Bank in relation to TF072638 (the Multi-Donor Trust Fund for Forced Displacement), and the date of the deposit. The Bank will provide a copy of such information to the Donor.
10. At the date of Bank’s signature of this Administration Arrangement, the Indirect Rate (as defined in Annex 1 to this Administration Arrangement) is 17%.

11. All annexes hereto constitute an integral part of this Administration Arrangement, whose terms taken together will constitute the entire arrangement between the Donor and the Bank. Unless otherwise specified in an annex hereto, this Administration Arrangement may be amended only by written amendment between the Bank and the Donor; provided, however, that any annexes to this Administration Arrangement may be amended only by written amendment of all donors contributing to the Trust Fund.

12. It is understood that this Administration Arrangement, including any annexes, is not an international treaty and is not eligible for registration as a treaty under Article 102 of the United Nations Charter. It is an administrative arrangement between the Bank and the Donor.

13. All references made in the Annexes to “shall” and “Agreement” will have the same meaning as the term “will” and “Arrangement” herein. In addition, references in the Annexes to tenses of the verb “to agree” will be deemed to constitute references to tenses of the verb “to decide”.

14. The Donor and the Bank will use their best efforts to amicably settle any dispute, controversy, or claim arising out of or relating to this Administration Arrangement.

15. Please confirm your acceptance of the foregoing, on behalf of the Donor, by signing, dating, and returning to us the enclosed copy of this Administration Arrangement. Upon receipt by the Bank of the copy of this Administration Arrangement countersigned by you, this Administration Arrangement will become effective as of the date of the countersignature.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

Franck Bousquet
Franck Bousquet
Senior Director
Global Theme Department – Fragility, Conflict & Violence

ACCEPTED:

MINISTER FOR FOREIGN TRADE AND DEVELOPMENT COOPERATION OF THE NETHERLANDS

By: Nathalie Lintvelt
Date: 01-Mar-2019
Nathalie Lintvelt
Head of Migration and Development Division
ANNEX 1

Governance Structure, Description of Activities and Expenditures under the Multi-Donor Trust Fund for Forced Displacement (TF072638)

1. Purpose

The overall aim of the Multi-Donor Trust Fund (MDTF) is to identify and address opportunities for improving the Bank's contribution to an enhanced development response to forced displacement that supports economically and socially sustainable solutions. In consultation with Bank regional/country management units and international partners, the MDTF will facilitate and support the research, preparation and implementation of operations, promote learning and partnership development with international and local actors to better address forced displacement as a development challenge. The MDTF will encourage concerned developmental actors including the Bank to be engaged from the outset of the crisis that induces displacement to ensure that the development dimensions of recovery are addressed and an effective transition from crisis thorough recovery to sustainable development.

2. Description of Activities

The MDTF would support the following types of activities:

(a) Applied Research. Activities would include: (i) collection and analysis of socio-economic baseline data; (ii) socio-economic impact analysis; (iii) sector specific and thematic analytical work; (iv) development of tools for the use of Bank staff and other international actors in addressing displacement; and (v) other activities in support of the applied research, as approved by the Bank.

(b) Partnerships. Partnerships with international actors (such as UN agencies, NGOs and bilaterals), would promote better coordination of activities at the field level and ensure that the development dimensions of displacement are addressed in a comprehensive manner through: (i) the provision of socio-economic and sector data to partners and governments; (ii) participation in joint needs assessments; analysis and planning of operations; (iii) improvement of Bank field presence working with partners; (iv) dissemination of studies and information, including the outcome of applied research, among all partners; and (v) other activities in support of partnerships, as approved by the Bank.

(c) Operations. Support for developing an operational agenda by: (i) integrating displacement issues in CASs, ISNs, PRSPs; (ii) reviewing of country portfolios; and (iii) designing and implementing new operations and grants.

(d) Monitoring and Evaluation of activities include the assessment of: (i) the MDTF program in terms of the quality and relevance of the analytical work; (ii) the partnership engagement; and (iii) the Bank’s operational response to address the displacement development challenge.

3. Governance Structure

The MDTF will be housed within the Social Development Department (SDV) in the Sustainable Development Network Vice Presidency, or its successor.

The day to day management of the MDTF will be undertaken by the displacement team, which is as part of the Conflict, Crime and Violence group within the SDV, under the supervision of a MDTF
The displacement team will administer, manage and oversee the MDTF activities, provide support to the SDV management, prepare annual monitoring reports and organize annual discussions with donors to the MDTF. The SDV Director will appoint a MDTF coordinator who will manage the Trust Fund and the displacement team. The SDV management will be responsible for developing the MDTF’s annual work plan, overseeing the distribution of funds, and monitoring the MDTF outcomes and impact.

Through an annual consultation process, the MDTF donors will be able to provide the SDV management input into and feedback on the proposed annual work plan and budget. An annual progress report, evaluating the outcomes of the activities financed, will be submitted to the MDTF donors. As part of the work, regular informal consultations will be carried out with key UN agencies, interested bilaterals and NGOs to discuss activities and review progress.

Following the establishment of the MDTF the displacement team will further develop the resource allocation process which is foreseen to be based on the demand for activities from ongoing consultations with regions and country units. Funds will be allocated for activities that take advantage of opportunities for improving partnerships, analytical and operational approaches, as well as policies for sustainable solutions for displaced people.

4. Categories of Eligible Expenditures

The Contribution funds may be used to finance the following categories of expenditures for the Recipient-executed activities: training and workshops, consultants’ services, goods, works and non-consultants’ services, operating costs and grants.

The following eligible expenditures categories may be used to finance Bank-executed activities:

(a) staff costs (excluding short term consultants and temporaries, and also excluding extended term consultants and temporaries);
(b) extended term consultants and temporaries;
(c) short-term consultants and temporaries;
(d) contractual services;
(e) media, workshops, conferences and meetings; and
(f) travel expenses.

For purposes of the above expenditure categories: (i) “staff costs (excluding short term consultants and temporaries, and also excluding extended term consultants and temporaries)” includes salaries, benefits and indirect rates charged to the Trust Fund as applicable under Bank policies and procedures; (ii) “extended term consultants and temporaries” includes fees, benefits and indirect rates charged to the Trust Fund as applicable under Bank policies and procedures; and (iii) “short term consultants and temporaries” includes fees and indirect rates charged to the Trust Fund as applicable under Bank policies and procedures.

The “Indirect Rate” means the indirect rate, defined as a percentage of personnel costs and available at the World Bank’s Donor center secure website, as such rate may be revised from time to time by the Bank and applied to this Trust Fund, in accordance with its policies and procedures.
5. The following activities may also be financed as Bank-executed activities by the Trust Fund:

Program management and administration activities for the Trust Fund, including but not limited to, supporting any program governance arrangements and Trust Fund related meetings; planning and executing work plans and budgets; managing communications and conducting outreach; disseminating lessons learned; reporting on progress; and monitoring and evaluating the program.
ANNEX 2

Standard Provisions Applicable to the Multi-Donor Trust Fund for Forced Displacement

The following provisions (hereinafter referred to as the “Standard Provisions”) shall be applicable to and form an integral part of all agreements entered into between the International Bank for Reconstruction and Development (“IBRD”) and the International Development Association (“IDA”) (collectively, the “Bank”) and donor countries and/or organizations (hereinafter referred to as the “Donors”) that provide grants (referred to as the “Contributions”) to be administered by the Bank for the Multi-Donor Trust Fund for Forced Displacement (the “Project”).

1. Administration of the Contributions

The Bank shall be responsible only for performing those functions specifically set forth in this Agreement and shall not be subject to any other duties or responsibilities to the Donors, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. Nothing in this Agreement shall be considered a waiver of any privileges or immunities of the IBRD and IDA under their Articles of Agreement or any applicable law, all of which are expressly reserved.

2. Commingling, Exchange and Investment of the Contributions

2.1. The Contribution funds shall be accounted for as a single trust fund and shall be kept separate and apart from the funds of the Bank. The Contribution funds may be commingled with other trust fund assets maintained by the Bank.

2.2. The Contribution funds may be freely exchanged by the Bank into other currencies as may facilitate their disbursement.

2.3 The Bank shall invest and reinvest the Contribution funds pending their disbursement in accordance with the Bank’s policies and procedures for the investment of trust funds administered by the Bank. The Bank shall credit all income from such investment to the Trust Fund established under this Agreement to be used for the same purposes as the Contribution funds.

3. [Deleted]

4. Grants to Recipients

4.1. The Bank shall, as administrator of the Contributions, enter into grant agreements (the “Grant Agreements”) with one or more entities (the “Recipients”) for the provision of Contribution funds for the purposes of this Agreement and on the terms and conditions set forth in the Grant Agreements. The Bank shall furnish a copy of the Grant Agreements to the Donors.

4.2. The Bank shall be solely responsible for the supervision of Project activities financed under the Grant Agreements.

4.3. If, in the Bank’s opinion, an amount of the Contribution funds allocated to any of the expenditure categories specified in Annex 1 to this Agreement will be insufficient to finance the expenditures for such category, the Bank may reallocate to such category an amount of the Contribution funds then allocated to another category which, in the Bank’s opinion, will not be necessary to meet other expenditures. The Bank will notify the Donors of such a reallocation.
5. **Employment of Consultants and Procurement of Goods**

The employment and supervision of consultants and the procurement of goods financed by the Contributions shall be the responsibility solely of the Bank and shall be carried out in accordance with its applicable policies and procedures. The Grant Agreements shall provide that the Contributions shall be used by the Recipients to finance expenditures for goods and services, as the case may be, in accordance with the World Bank’s Guidelines on “Procurement under IBRD Loans and IDA Credits” and the World Bank’s Guidelines on the “Selection and Employment of Consultants by World Bank Borrowers,” as in effect at the date of the Grant Agreements.

6. **Accounting and Financial Reporting**

6.1. The Bank shall maintain separate records and ledger accounts in respect of the Contributions deposited in the Trust Fund account and disbursements made therefrom.

6.2. The Bank shall furnish to the Donor current financial information relating to receipts, disbursements and fund balance in United States dollars with respect to the Contribution funds via the World Bank’s Trust Funds Donor Center secure website. Within six (6) months after all commitments and liabilities under this Trust Fund have been satisfied and the Trust Fund has been closed, the final financial information relating to receipts, disbursements and fund balance in United States dollars with respect to the Contribution funds will be made available to the Donor via the World Bank’s Trust Funds Donor Center secure website.

6.3. The Bank shall provide to the Donors, within six (6) months following the end of each Bank fiscal year, an annual single audit report, comprising: (1) a management assertion together with an attestation from the Bank’s external auditors concerning the adequacy of internal control over cash-based financial reporting for all cash-based trust funds as a whole; and (2) a combined financial statement for all cash-based trust funds together with the Bank’s external auditors’ opinion thereon. The cost of the single audit shall be borne by the Bank.

6.4. If a Donor wishes to request, on an exceptional basis, a financial statement audit by the Bank’s external auditors of the Trust Fund established under this Agreement, the Donor and the Bank shall first consult as to whether such an external audit is necessary. The Bank and the Donor shall agree on the most appropriate scope and terms of reference of such audit. Following agreement on the scope and terms of reference, the Bank shall arrange for such external audit. The costs of any such audit, including the internal costs of the Bank with respect to such audit, shall be paid by the Donor.

6.5. The Bank shall provide the Donor with copies of all financial statements and auditors’ reports received by the Bank from the Recipients pursuant to the Grant Agreements.

6.6. The Donor reserves the right to review and evaluate activities financed by the Trust Fund. The Donor and the Bank shall agree on the scope and conduct of such review or evaluation, and the Bank shall provide all relevant information within the limits of its policies and procedures. All associated costs will be borne by the Donor, unless otherwise agreed. It is understood that any such review or evaluation will not constitute a financial, compliance or other audit of the Trust Fund.
7. **Coordination and Project Reporting**

7.1. The Bank shall provide the Donors with an annual report on the progress of activities financed by the Contributions. Within six (6) months of the final disbursement date specified in paragraph 8.1, the Bank shall furnish to the Donors a final report on the Project activities.

7.2. The Bank shall promptly inform the Donors of any significant modification to the terms of the Grant Agreements and of any contractual remedy that is exercised by the Bank under the Grant Agreements. To the extent practicable, the Bank shall afford the Donors the opportunity to exchange views before effecting any such modification or exercising any such remedy.

8. **Disbursement Deadline; Cancellation; Refund**

8.1. It is expected that the Contribution funds will be fully disbursed by the Bank in accordance with the provisions of this Agreement by September 30, 2020. The Bank shall only disburse Contribution funds for the purposes of this Agreement after such date with the written approval of the Donors.

8.2. Any Donor or the Bank may, upon three (3) months’ prior written notice, cancel all or part of the Donor’s pro rata share of any remaining balance of the Contribution funds that is not committed pursuant to any agreements entered into between the Bank and any consultants and/or other third parties for the purposes of this Agreement prior to the receipt of such notice, including the Grant Agreements.

8.3. Upon the final disbursement date specified in paragraph 8.1, the Bank shall return any remaining balance of the Contribution funds to the Donors on a pro rata basis based on each Donor’s paid Contribution. In the event of a cancellation of an individual Donor’s pro rata share of uncommitted Contribution funds in accordance with paragraph 8.2, the Bank shall return such cancelled balance to the Donor on the same pro rata basis.

9. **Disclosure**

The Bank may disclose this Agreement and information on this Trust Fund in accordance with the Bank’s policy on disclosure of information.

10. **Trust Fund Fee**

The Bank shall calculate a fee each time funds (the “Grant Amount”) from the Trust Fund become committed under a Grant Agreement. Such commitment shall occur when such Grant Agreement is fully countersigned (the “Calculation Date”). The fee so calculated by the Bank shall be based on the cumulative total of funds from the Trust Fund committed under all Grant Agreements that have been fully countersigned on or prior to the Calculation Date (the “Cumulative Grant Total”). The calculated fee shall depend on where the Cumulative Grant Total stands as the Grant Amount is added and shall be determined in accordance with the following schedule:

(i) 5% of any portion of the Grant Amount that results in a Cumulative Grant Total below or equal to US$ 50 million or equivalent; plus

(ii) 4% of any portion of the Grant Amount that results in a Cumulative Grant Total above US$ 50 million or equivalent and below or equal to US$ 500 million or equivalent; plus
(iii) 3% of any portion of the Grant Amount that results in a Cumulative Grant Total above US$ 500 million or equivalent and below or equal to US$ 1 billion or equivalent; plus
(iv) 2% of any portion of the Grant Amount that results in a Cumulative Grant Total above US$ 1 billion or equivalent.

Following each Calculation Date, the Bank shall deduct from the trust fund account, TF No. TF072638, and retain for its own account, the fee as set forth above. Grant Amounts may not exceed the balance of uncommitted funds in such account net of the related fee.
Standard Provisions

Applicable to
Grants
Made by the World Bank, as Administrator of Various Trust Funds,
to
UN Organizations that are Signatories
to the
Fiduciary Principles Accord concluded in December 2008.

April 2009

1. Background.

1.1. The operational policies of the International Bank for Reconstruction and Development ("IBRD") and International Development Association ("IDA") (IBRD and IDA collectively referred to as “World Bank”), provide that in the event of certain crises and emergencies in a member country of the World Bank ("Member Country"), the World Bank may, at the request of the Member Country, agree to special implementation arrangements for early recovery activities financed by the World Bank out of the proceeds of trust funds administered by the World Bank, including grants to UN agencies active in the Member Country for such activities, along with capacity-building measures to enable a timely transfer of the implementation responsibilities to the Member Country.¹

1.2. In order to facilitate the making of such grants, the World Bank and several United Nations organizations (each a “UN-FPA Signatory”), have entered into a Fiduciary Principles Accord (“FPA”) set forth in the Attachment to these standard provisions (“FPA Standard Provisions”), pursuant to which the Bank and the UN-FPA Signatories have agreed to special arrangements for the disbursement of such grants and implementation of activities financed thereunder.

2. General Terms and Conditions of FPA Grants.

2.1. These FPA Standard Conditions set forth certain terms and conditions generally applicable to those trust funds administered by IBRD or IDA that provide for the financing, out of the proceeds of such trust funds, of grants to UN-FPA Signatories in accordance with the FPA ("FPA Grants"). They apply to the extent specified in the agreement or agreements (each, an “Administration Agreement”) between the World Bank and donors (“Donors”) for the establishment of each such trust fund (“Trust Fund”).

2.2. Each FPA Grant will be made:

(a) only to a UN-FPA Signatory that is in compliance with its obligations under the FPA and has not withdrawn from the FPA, at the time the FPA Disbursement Agreement (as defined in paragraph (b) of this Section 2.2) is signed by the World Bank;

¹ See, Operational Policy 8.00, Rapid Response To Crises And Emergencies.
(b) on the terms and conditions set forth in a disbursement agreement entered into between the World Bank and the UN-FPA Signatory substantially in the form of the agreement (“FPA Disbursement Agreement”) set forth in Annex 2 to the Attachment to these FPA Standard Provisions;

(c) for the purposes of activities described in the FPA Disbursement Agreement (variously, “Activities” or “Project”) and on the basis of a budget (“Activities Budget”), both of which will have previously been considered and approved for financing under an FPA Grant by the governance mechanism established under the Administration Agreement which has authority to determine the allocation of funds in connection with the Trust Fund (“Trust Fund Steering Committee”) in accordance with the provisions of Section 3 below; and

(d) only after the World Bank has determined, on the basis of a request from the Member Country, that implementation of these Activities by the UN-FPA Signatory, is appropriate under the World Bank’s Operational Policy 8.00 Rapid Response To Crises And Emergencies;

2.3. The Donors understand and agree that each of the Activities for which an FPA Grant is made will be carried out, and the proceeds of the FPA Grant will be received, administered, managed, expended, reported on and audited exclusively in accordance with the regulations, rules, policies, procedures and administrative practices of the UN-FPA Signatory, including those relating to its financial management, procurement, anti-corruption, environmental, social and resettlement policies, as well as those relating to direct and indirect costs (including indirect program support costs) and interest (collectively, “UN-FPA Signatory Policies”), all in a manner consistent with the FPA and as specified in the FPA Disbursement Agreement.

2.4. The World Bank shall, in the discharge of its duties to the Donors hereunder with respect to each FPA Grant to a UN-FPA Signatory, be entitled to rely on any assurances or undertakings made by the UN-FPA Signatory, including the undertaking to notify the World Bank if it concludes that it is no longer able to give any of the assurances or undertakings provided by it under the FPA or under any other agreements between it and the Member Country and or the World Bank relating to the Activities.

2.5. The World Bank will have no responsibility towards the Donors with respect to the Activities or any FPA Grant except as expressly provided in these FPA Standard Provisions.

3. Procedures for Making FPA Grants

3.1. The World Bank will ensure that, except as otherwise agreed by the Trust Fund Steering Committee, no Activities will be eligible for financing under an FPA Grant unless and until:

(a) the World Bank, as Administrator of the Trust Fund, has received the following:

   (i) A proposal describing the Activities (together with proposed financing amount and budget), of such scope and in such detail as the Trust Fund Steering Committee may request (“Activities Proposal”); and

   (ii) Written confirmation by the Member Country in which the Activities are to be carried out (“Member Country Confirmation”) of its (a) commitment to the objectives of the Activities, and (b) its concurrence with the provision by the World Bank of the FPA Grant to the UN-FPA Signatory under the terms and conditions of the FPA Disbursement Agreement to be entered into between the World Bank and the UN-FPA Signatory.
(b) The World Bank, as Administrator of the Trust Fund, has provided the Activities Proposal to the Trust Fund Steering Committee for approval, and the Trust Fund Steering Committee has approved the Activities for financing by the World Bank out of an FPA Grant.

3.2. After the Trust Fund Steering Committee has notified the World Bank of its approval of the Activities for financing by the World Bank out of an FPA Grant and the amount of the proposed FPA Grant, the World Bank may then seek to conclude an FPA Disbursement Agreement for such FPA Grant in such amount.

4. Activities Implementation.

4.1. The Donors understand and agree that:

(a) the UN-FPA Signatory will have sole responsibility for notifying the World Bank of its intention to request approval of:

(i) any change to the Activities Budget that would result in an increase in the total amount of the FPA Grant or a reallocation of amounts among categories of expenditure within the Activities Budget representing at least 20% of the total Activities Budget; and/or

(ii) any extension of the Closing Date (as defined in the FPA Disbursement Agreement);

(b) upon receipt by the World Bank of any such notification by the UN-FPA Signatory, the World Bank will furnish such notification to the Trust Fund Steering Committee for its consideration and approval; and

(c) the Trust Fund Steering Committee will inform the World Bank of its approval of any such change to the Activities Budget and/or extension of the Closing Date; and the World Bank will promptly notify the UN-FPA Signatory of such approval by the Trust Fund Steering Committee.

4.2. The Donors understand and agree that the UN-FPA Signatory will have sole responsibility to the Donors for using its best efforts with the authorities of the Member Country to enable representatives of the Trust Fund Steering Committee to visit the Activities site for the purposes of the FPA Grant.

4.3. The Trust Fund Steering Committee, may, with the agreement of the World Bank and UN-FPA Signatory, obtain from the UN-FPA Signatory, more frequently than once every six months, interim unaudited financial reports and/or the progress reports on the impact of the Activities and progress towards achieving its identified outcomes, required of the UN-FPA Signatory under the FPA Disbursement Agreement.

4.4. The World Bank will consolidate all reports provided by the UN-FPA Signatory pursuant to the terms of the FPA Disbursement Agreement, with relevant reports issued by other recipients of grants under the Trust Fund, and furnish them to the Trust Fund Steering Committee in accordance with the timetable established by the Trust Fund Steering Committee, it being understood that the World Bank’s consolidation of such reports is not intended to confirm the UN-FPA Signatory’s use of any FPA Grant proceeds, or to constitute any supervision of the Activities, or otherwise to express a view on the information contained in such reports provided by the UN-FPA Signatory.
4.5. (a) The Donors understand and agree that the UN-FPA Signatory will have sole responsibility for:

(i) bringing to the attention of the World Bank any information of which it becomes aware that indicates the need for further scrutiny of the implementation of the Activities or expenditures financed or to be financed under the FPA Grant (including non-frivolous allegations that corrupt, fraudulent, collusive or coercive practices were undertaken in relation to the Activities), and consulting with the World Bank and the Trust Fund Steering Committee, regarding any action it intends to take on the basis of this information;

(ii) keeping the World Bank and the Trust Fund Steering Committee, regularly informed by agreed means, consistent with its oversight framework and established procedures, of such actions taken and the results of their implementation, including where relevant, details of any recovery of funds or writing-off of losses;

(iii) using its best efforts, consistent with its regulations, rules, policies and procedure to recover any funds misused; and

(iv) crediting, in consultation with the World Bank and the Trust Fund Steering Committee, any funds so recovered to the grant account established by the World Bank for the FPA Grant, or agreeing with the World Bank and the Trust Fund Steering Committee to use such funds for a mutually agreed purpose.

(b) The World Bank will promptly bring to the attention of the Trust Fund Steering Committee any information referred to above in paragraph (a) of this Section that is brought to the World Bank’s attention by the UN-FPA Signatory.

4.6. The World Bank will consult with the Trust Fund Steering Committee:

(a) if the World Bank: (i) determines that timely and appropriate action has not been taken by the UN-FPA Signatory on the basis of the information referred to in Section 5.5 (a) (i) of this Attachment; and (ii) wishes to request direct consultations at a senior level between the World Bank and the UN-FPA Signatory in order to obtain assurances that the UN-FPA Signatory’s oversight and accountability mechanisms have been and are being fully applied in connection with such allegations;

(b) consistent with its disclosure policies, regarding: (i) information of which it becomes aware that indicates the need for further scrutiny of the implementation of the Activities or expenditures financed or to be financed under the FPA Grant (including non-frivolous allegations that corrupt, fraudulent, collusive or coercive practices were undertaken in relation to the Activities); and (ii) any action it intends to take on the basis of this information; and

(c) of its intention to suspend the right of the UNFPA Signatory to make further withdrawals of amounts of the FPA Grant.

4.7. The World Bank will furnish to the Trust Fund Steering Committee a copy of any notice it gives to the UN-FPA Signatory:

(a) suspending the UN-FPA Signatory’s right to make further withdrawals of amounts of the FPA Grant; or
(b) terminating the UN-FPA Signatory’s right to make further withdrawals of amounts of the FPA Grant.

4.8. The Donors understand and agree that the UN-FPA Signatory shall have sole responsibility to the Donors for:

(a) giving to the Trust Fund Steering Committee a copy of any notice that it gives to the World Bank that it intends to terminate the FPA Disbursement Agreement prior to completion of the Activities; and

(b) consulting with the Trust Fund Steering Committee upon expiry or termination of the FPA Disbursement Agreement, as to the proper use of any amounts of the FPA Grant withdrawn and remaining unexpended following satisfaction of outstanding commitments and liabilities.

4.9. The World Bank and the Trust Fund Steering Committee will cooperate with each other and the UN-FPA Signatory to put in place arrangement for the completion of the Activities if the FPA Disbursement Agreement is terminated prior to the completion of the Activities.

4.10. The World Bank will obtain the Trust Fund Steering Committee’s prior approval of any proposed use of amounts of the FPA Grant that may have been returned to the World Bank by the UN-FPA Signatory.

4.11. Each Donor understands and agrees that any evaluation it wishes to make of the Activities financed under an FPA Grant, will be a matter solely between it and the UN-FPA Signatory concerned and will be subject to agreement between the two as to the scope and nature of such evaluation. If requested by the Donor for purposes of such evaluation, the World Bank will provide the Donor with all information relevant to the FPA Grant, subject to and within the limits of its applicable policies and procedures on disclosure of information. All costs of providing such information will be borne by the Donor, unless otherwise agreed with the World Bank.
FIDUCIARY PRINCIPLES ACCORD

The Organisations of the World Bank each separately executing this Fiduciary Principles Accord, and the Organisations and subsidiary organs of the United Nations System each separately executing this Fiduciary Principles Accord

A. Committed to closer collaboration in all aspects of their work in order to be better partners to member countries and in order to deliver assistance and support more effectively and more sustainably;

B. Taking account of the unique role that each of them has in providing development (and in the case of the organisations of the United Nations System, also humanitarian assistance) and their respective comparative advantages in particular aspects of such assistance;

C. Recalling that each of them has been established by, is governed by, and is accountable to, its respective member countries;

D. Recalling further that each of them has fiduciary duties with respect to funds entrusted to it;

E. Building on prior initiatives (including the Financial Management Framework Agreement between the World Bank and the United Nations dated 10 March 2006) to reduce transaction costs associated with operational aspects of their partnership and to improve the mobilization and disbursement of financial resources in particular from donor-supported trust funds during crisis and post-crisis, and emergency and humanitarian, situations.

Now agree as follows:

Assurances of Sound Fiduciary Framework and Accountability and Oversight Framework

1. Each signatory to this Fiduciary Principles Accord (this “FPA”) assures each other signatory to this FPA that it has a sound fiduciary framework and accountability and oversight framework;

2. More particularly, each signatory to this FPA:

   a. gives the following assurances to each other signatory to this FPA:
      I. that its regulations, rules, procedures and administrative practices for: (A) financial management, including audit and control frameworks; (B) procurement; (C) programme or project design, implementation, and monitoring; and (D) prevention of fraud and corruption, are consistent with sound standards and practices, as more fully set forth in Annex 1 to this FPA;

   b. gives the following undertakings to each other signatory to this FPA:
      I. that should it become aware of information that indicates the need for further scrutiny of its use of funds to which this FPA applies (including allegations of corrupt, fraudulent, coercive or collusive practices in connection with use of
such funds), it will (A) notify the signatory to this FPA from which it received such funds and will inform it of the actions being taken as a result, and (B) give additional assurances to that disbursing organisation, through senior-level consultations, that its oversight and accountability mechanisms have been and are being fully applied in connection with such information, as is more fully set out in the applicable agreements referred to in Article 7 below;

II. that for so long as it is a signatory to this FPA it will make available to the United Nations Development Operations Coordination Office and the Office of the World Bank’s Vice-President, Operations Policy and Country Services a copy of its audited financial statements and external auditors’ report on its financial statements within ten (10) days of such becoming public documents;

III. that it will re-state these assurances and undertakings every two (2) years, counted from the date it signs this FPA; and

IV. that it will notify the other signatories of this FPA promptly upon concluding either that it is no longer able to give the assurances set out in paragraph 2(a) above or that it is no longer in a position to provide the undertakings set forth in this paragraph 2(b), whereupon it will be deemed to have withdrawn from this FPA as of the day such notice has been received by both the United Nations Development Operations Coordination Office and the date such notice is received by the Office of the World Bank’s Vice-President, Operations Policy and Country Services.

Reliance; Standard Disbursement Agreement Terms

3. Each signatory to this FPA that disburses funds to another signatory to this FPA will, in the discharge of its fiduciary duties with respect to the funds disbursed, rely on the recipient organisation’s assurance of the soundness of the receiving organisation’s fiduciary framework and accountability and oversight framework. Funds so disbursed will therefore be received, administered, managed, expended, reported on, and audited, in accordance with the regulations, rules, procedures and administrative practices of the receiving organisation, including those relating to direct and indirect costs (including indirect programme support costs) and interest, and will be subject to the applicable agreement referred to in Article 7 below.

Entry into Force; Participation in this FPA and Withdrawal

4. This FPA will enter into force on the day on which one Organisation of the World Bank has signed this FPA and delivered it to both the United Nations Development Operations Coordination Office and the Office of the World Bank’s Vice-President, Operations Policy and Country Services and one Organisation or subsidiary organ of the United Nations System has signed this FPA and delivered it to both the United Nations Development Operations Coordination Office and the Office of the World Bank’s Vice-President, Operations Policy and Country Services. Other international financial institutions and multilateral intergovernmental organisations, and other Organisations of the United Nations System and their subsidiary organs, may become signatories to this FPA by delivering an executed copy of this FPA in accordance with this Article 4. A signatory to this FPA will be bound by the terms of this FPA as of the day on which it has delivered an executed copy of this FPA to both the United Nations Development Operations Coordination Office and the Office of the World Bank’s Vice-President, Operations Policy and Country Services.
5. A signatory to this FPA may withdraw from this FPA by delivering a written notice of withdrawal to the officials referred to above, with its withdrawal being effective as of the day on which such notice has been received by both the United Nations Development Operations Coordination Office and the Office of the World Bank’s Vice-President, Operations Policy and Country Services. A signatory to this FPA will be deemed to have withdrawn from this FPA in the circumstances set out in Article 2(b)(IV) above. A signatory’s withdrawal from this FPA may result in termination of any ongoing agreement it has entered into pursuant to this FPA, consistent with the terms and conditions of such agreement.

Application; Standard Forms of Documentation

6. The provisions of this FPA will apply to funds: (a) disbursed either (I) by one of the Organisations of the World Bank signing this FPA to one of the Organisations or subsidiary organs of the United Nations System signing this FPA, or (II) by one of the Organisations or subsidiary organs of the United Nations System signing this FPA to one of the Organisations of the World Bank signing this FPA; that are (b) from a donor-supported trust fund administered by the disburser for crisis and post-crisis, or emergency or humanitarian, interventions; and (c) whether or not the disbursement constitutes a grant to the receiving organisation or a sub-grant to the receiving organisation.

7. The following standard forms of documentation, to be used in cases to which this FPA applies, are attached as Annex 2: a standard disbursement agreement, to be used for disbursements in category (a)(I) referred to above; and a standard Memorandum of Understanding to be used for disbursements in category (a)(II) above. The documents attached as Annex 2 may be amended from time to time by the written agreement of all the signatories to this FPA.

8. Nothing in this FPA shall prevent any two signatories to this FPA from agreeing, in appropriate circumstances and following such consultations as may be required under their respective internal procedures, to apply this FPA to the disbursement of any funds from one to the other, and from using such documentation for that disbursement as they may agree.

Periodic Review

9. The signatories to this FPA agree to meet from time to time, and no less frequently than once every two years, to review the implementation of this FPA and, if it is felt necessary, to consult as to possible changes to this FPA, which changes will come into effect if adopted by all signatories to this FPA.

Additional Provisions


IN WITNESS WHEREOF, the undersigned, duly authorized representatives of the respective signatories, have signed this Fiduciary Principles Accord on the dates indicated below

Food and Agriculture Organisation of the United Nations

By: ________________________________
Name: ___________________________________
Title: ___________________________________
Date: ___________________________________

International Bank for Reconstruction and Development

By: ___________________________________
    Name: Jeffrey S. Gutman
    Title: Vice President, Operations Policy and Country Services
    Date: December 2, 2008

International Development Association

By: ___________________________________
    Name: Jeffrey S. Gutman
    Title: Vice President, Operations Policy and Country Services
    Date: December 2, 2008

International Labor Organisation

By: ___________________________________
    Name: _________________________________
    Title: _________________________________
    Date: _________________________________

Office of the United Nations High Commissioner for Refugees

By: ___________________________________
    Name: _________________________________
    Title: _________________________________
    Date: _________________________________

United Nations Children’s Fund

By: ___________________________________
    Name: Ann M. Veneman
    Title: Executive Director
    Date: 2 December 2008

United Nations Development Programme

By: ___________________________________
    Name: Ad Melkert
    Title: Associate Administrator
    Date: _________________________________

United Nations Educational, Scientific, and Cultural Organisation

By: ___________________________________
    Name: _________________________________
COMPONENT 1: FINANCIAL MANAGEMENT PRINCIPLES

The organisation maintains sound financial management systems and arrangements to ensure that funds are used for the purposes intended with due attention to considerations of economy and efficiency and value for money. The organisation’s financial management systems and arrangements (which include its budgeting, accounting, internal controls, funds flow, financial reporting and internal and external auditing arrangements, and related policies, procedures and practices): facilitate the preparation of regular, timely and reliable financial statements; support the provision of a complete, true and fair record of all transactions and balances, including those relating to funds to which this FPA applies; safeguard assets, including assets financed by funds to which this FPA applies; and are subject to internal and external auditing arrangements in line with internationally accepted standards.

The organisation’s auditing arrangements allow, on an exceptional basis, for its external auditors to be requested to perform a special examination.

The organisation continuously undertakes appropriate measures, including capacity strengthening, to mitigate risks posed by any weakness identified in its financial management systems and arrangements.

COMPONENT 2: PROCUREMENT POLICIES AND PROCEDURES

The organisation’s procurement policies and procedures: require procurement actions to be taken on the basis of economy and efficiency, and value for money (with due consideration towards promotion of sustainable and competitive markets); require transparency to the maximum extent possible consistent with achieving all other goals of a sound procurement system; and have appropriate procedures for all different types of procurement (goods, works, consulting and non-consulting services etc.).

These procurement policies and procedures provide for a range of procurement modalities including but not limited to open competitive bidding, invitation to bid issued to pre-qualified suppliers selected by the organisation, and single sourcing. In the case of open competitive bidding, the organisation’s procurement policies and procedures provide for timely and effective notification of bidding opportunities, use of bidding documents that clearly identify all requirements and evaluation criteria, and award based on those criteria as set forth in the bidding documents. The organisation may also have provisions for acceptance of unsolicited approaches from potential suppliers to be pre-qualified.

The organisation’s contract documents clearly define the contracting parties’ rights and obligations.

The organisation’s procurement policies and procedures also provide for publication of award of contract in appropriate cases.

The organisation’s procurement policies and procedures ensure clear identification of authority to take procurement actions and accountability for such actions. The organisation’s procurement policies and procedures and other applicable regulations, rules, and procedures,
provide appropriate processes and structures for monitoring and evaluation of procurement actions and performance, and enable reporting of problems and complaints to officials with authority to address such problems based on appropriate mechanisms and in a timely manner and, where appropriate, provide for remedies.

The organisation’s procurement policies and procedures do not prevent it from determining, through disclosure by potential contractors or vendors, whether a party to which it is considering issuing a contract is subject to any sanction or temporary suspension imposed by any organisation within the United Nations System including the World Bank.

**COMPONENT 3: PROGRAMME OR PROJECT DESIGN OR PREPARATION, IMPLEMENTATION AND MONITORING**

**Programme or Project Preparation and Implementation**

The organisation’s programmes or projects are based on the organisation’s mandate; are based on policies and procedures for programme and project design or preparation and implementation that are transparent and publicly available; are developed through a process that includes as appropriate participation by and consultation with relevant stakeholders including member government counterparts and others; are designed to avoid, mitigate, or minimize adverse environmental and social impacts; are based on a results-based approach or a similar conceptual approach; are focused on results; have objectives, indicators of achievement and assumptions that are clearly stated; have performance measures based on objectives that are specific, measurable, attainable, realistic and time-bound; include a monitoring and evaluation plan; and are subject to review and approval prior to implementation.

**Reporting Arrangements**

The organisation’s programme or project reporting requirements include a narrative progress report as well as a financial progress report, including financial statements, covering the whole programme or project. The narrative progress report is required to include: a summary of the programme or project and the context within which the programme or project is implemented; the activities actually carried out during the reporting period; any challenges encountered and measures taken to overcome challenges; changes introduced in implementation, including changes in the budget; achievements and results of the programme or project with reference to identified indicators; and the work plan for the following period. The organisation requires such reports as frequently as is necessary to ensure the reports are useful management tools and to provide meaningful reports and assessments of progress, achievements, and challenges.

**Monitoring and Evaluation Arrangements**

The organisation’s programme and project monitoring arrangements are designed to ensure frequent monitoring of the implementation of its programmes or projects to test for on-going progress and the achievement of outcomes as planned. The organisation’s evaluation function (or its equivalent), while appointed by management, operates without interference or instruction by management and has access as it deems necessary to the member countries or shareholders. The organisation’s evaluation function uses the appropriate evaluation methodology for the programme or project being evaluated, and options may include desk evaluations, in-depth evaluations, and evaluations conducted mid-term, terminal or ex-post.
COMPONENT 4: ADDRESSING FRAUD AND CORRUPTION

The organisation’s officials are: subject to staff regulations, rules, procedures and administrative instructions that prohibit unethical conduct, fraud, and corruption; required, above an appropriate level of seniority and responsibility, to provide disclosure of financial interests so as to mitigate significantly the risk to the financial assets under the organisation’s control; expected to conduct themselves in accordance with the organisation’s code of conduct.

The organisation’s regulations, rules, procedures and administrative practices provide for reasonable measures, consistent with its rules, procedures and administrative practices, to prevent and address any information that indicates the need for further scrutiny (including corrupt, fraudulent, coercive or collusive practices) in connection with its activities and operations.

The organisation has established mechanisms for significantly mitigating the risk of fraud and corruption in its activities and operations including a “hotline” to receive allegations of fraud or corruption; protection for whistleblowers against retaliation; and an internal investigations function that, while appointed by and reporting to management, operates without interference or instruction by management.

The organisation has appropriate mechanisms in place to exclude firms or individuals determined by it to have engaged in fraudulent or corrupt activities from participation in contracts with such organisation, whether indefinitely or for a specified duration; and is not prevented from giving due regard to similar decisions by other international organisations, including organisations that are signatories to this FPA.

***
Disbursement Agreement

Letterhead of Disbursing Organization

[DATE]

Mr./Ms. ________  
[title]  
[organization]  
[CO – city]  
[CO – country]  

Re: [grant name and number]  

Dear [ ]:

I am writing on behalf of the [International Bank for Reconstruction and Development] [and] [International Development Association] (the “World Bank” or the “Disbursing Organization”), as administrator of the [Multi-Donor] Trust Fund for [name of trust fund] (the “Trust Fund”) to indicate the Disbursing Organization’s agreement to make a grant in an amount not exceeding [amount in words] United States Dollars (US$ [amount in figures]) (the “Grant”) to [name of UN Organization] (the “Receiving Organization”) for the benefit of [name of country] (the “Beneficiary”).

The Grant is made in accordance with instructions from the [name of governing mechanism] (the “Trust Fund Steering Committee”), which has authority to determine the allocation of funds in connection with the Trust Fund by virtue of an administration agreement and/or resolution(s) for the establishment of the Trust Fund. The Grant is made for the purposes and on the terms and conditions set forth in the annexes to this Agreement.

The Receiving Organization represents, by confirming its agreement below, that it is authorised to contract and withdraw the Grant for the said purposes and on the said terms and conditions, and the Receiving Organization makes this representation knowing that Disbursing Organization will rely on it for purposes of disbursing the Grant.

In light of the fact that both the Disbursing Organization and the Receiving Organization are signatories to the Fiduciary Principles Accord dated as of [ ] (the “FPA”), the funds transferred under this Grant will be received, administered, managed, expended, reported on, and audited, exclusively in accordance with the regulations, rules, procedures and administrative practices of the Receiving Organization, including those relating to its environmental, social and resettlement policies as well as those relating to direct and indirect costs (including indirect programme support costs) and interest, and will be subject to the terms of this Agreement. In this regard, it is understood that indirect costs of the Receiving Organizations recovered through programme support costs will be 7% and that 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 such Receiving Organization in carrying out the Activities under this Grant will be recovered as direct costs. It is also understood that the

Please note that, in accordance with the Disbursing Organization’s policy on disclosure of information, the Disbursing Organization will make this Agreement publicly available after this Agreement has become effective and the Receiving Organization, by countersigning this Agreement, gives its consent to such disclosure, it being understood, however, that the Disbursing Organization will consult with the Receiving Organization regarding whether to disclose any information in Annex B to this Agreement that the Receiving Organization regards as sensitive.

Please confirm your agreement with the foregoing, on behalf of the Receiving Organization, by signing, dating, and returning to us the enclosed copy of this Agreement. Upon receipt by the Disbursing Organization of the copy of this Agreement countersigned by you this Agreement will become effective as of the date of the countersignature.

Very truly yours,
[full name of WB acting as disbursing organization]

By__

AGREED ON BEHALF OF THE RECEIVING ORGANIZATION:

Name:
Title:
Date:
Disbursement Agreement
Annex A

Purposes, Terms, and Conditions of the Grant

1. Purposes and Activities

1.1. The purpose of the Grant is to support the implementation of the __________ project (the “Project”) in accordance with the decision of the Trust Fund Steering Committee dated [______]. A description of the Project (“Project Description”), including project outcomes and specific activities (the “Activities”) together with the Project budget approved by the Trust Fund Steering Committee (the “Project Budget”), are set out in the attached Annex B.

2. Implementation Generally

2.1. The Receiving Organization will:

(a) carry out the Activities with due diligence and efficiency;

(b) promptly provide the Grant funds, facilities, services and other resources required for that purpose;

(c) take all reasonable steps to ensure that all goods and services financed out of the proceeds of the Grant will be used exclusively for the purposes of the Project;

(d) exercise the same care in the administration of the Grant as it exercises in the administration of all other funds it administers (including in particular its own funds), having due regard for economy and efficiency and the need to uphold highest standards of integrity in the administration of public funds including the prevention of fraud and corruption, consistent with the standards reflected in the FPA;

(e) implement the Activities in conformity with the agreed design, including with respect to the applicable environmental, social (including resettlement) arrangements for such implementation, it being understood that such implementation shall be subject to the application of the Receiving Organization’s own environmental and social policies and procedures;

(f) provide the financial and programmatic reports referred to in Sections 5.3 and 6.2 below in a timely manner, and furnish all other information covering the Activities and the use of the proceeds of the Grant as the Disbursing Organization shall reasonably request that are both consistent with this Agreement and consistent with its role as the administrator of the Trust Fund;

(g) notify the Disbursing Organization in writing of any substantial deviation from agreed plans or budgets in connection with the Activities as set out in Annex B, including as to their nature, content, sequencing, and duration, it being understood that all changes to the budget that would result in an increase in the total amount of the Grant are subject to the approval of the Trust Fund Steering Committee; and

(h) if necessary, upon the Disbursing Organization's request, use its best efforts with the authorities of the Beneficiary to enable representatives of the Disbursing Organization and/or the
Trust Fund Steering Committee to visit the territory where the Activities are being carried out for the purposes of this Agreement.

3. Procurement

3.1 The Receiving Organization will carry out procurement of goods, works and non-consulting services and selection of consultants in accordance with the provisions of the Receiving Organization’s procurement policies, guidelines, methods and procedures and with the same care and diligence with which it undertakes all procurement, having due regard to economy and efficiency, transparency and the need to uphold the highest standards of integrity in the administration of public funds including the prevention of fraud and corruption, consistent with the standards reflected in the FPA.

3.2 (a) The Receiving Organization will require any party with which it has either a long-term arrangement or with which it intends to enter into a contract in connection with the Activities financed by the Grant to disclose whether it is subject to any sanction or temporary suspension imposed by any organization within the United Nations System including the organizations of the World Bank. The Receiving Organization will give due regard to any such sanctions or temporary suspensions, when issuing contracts in connection with the Activities.

(b) If the Receiving Organization proposes to issue a contract in connection with the Activities financed by the Grant to a party which has disclosed to the Receiving Organization that it is under sanction or temporary suspension by the Disbursing Organization, the following procedure will apply: (i) the Receiving Organization will so inform the Disbursing Organization, before signing such contract; (ii) the Disbursing Organization then may request direct consultations at a senior level between the Receiving Organization and the Disbursing Organization to discuss such decision; and (iii) the Disbursing Organization may thereafter inform the Receiving Organization by notice that funds disbursed to it under Section 4 of this Annex A may not be used to fund such contract.

(c) Any funds received by the Receiving Organization under this Agreement that were to be used to fund a contract in respect to which the Disbursing Organization has exercised its rights as set out in Section 3.2 (b) above shall be used to defray the amounts that may be requested by the Receiving Organization in any subsequent notice of withdrawal pursuant to Section 4.3 of this Annex A, or if no subsequent notice of withdrawal is made, such funds will be transferred by the Receiving Organization to the Disbursing Organization pursuant to Section 8.3 of this Annex A.

3.3 The Receiving Organization shall retain all documentation with respect to the Activities in accordance with Section 5.6 below and upon the Disbursing Organization’s reasonable request, the Receiving Organization shall provide relevant information drawn from such documentation to the Disbursing Organization. Should the Disbursing Organization identify any need for further clarification with respect to a particular transaction, the provisions of Section 7 of this Agreement will apply.

3.4 In the event that either the Receiving Organization or the Disbursing Organization becomes aware of factors that would indicate that corrupt, fraudulent, collusive or coercive practices were undertaken in relation to any procurement activities under the Grant, including during contract award process or contract implementation, the provisions of Section 7 of this Annex A will apply.

3.5 Unless self-insured, the Receiving Organization shall ensure that all imported goods to be financed out of the proceeds of the Grant shall be insured against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation, and that any indemnity for such insurance is payable in a freely usable currency to replace or repair such goods. The Receiving Organization shall ensure that any supplies and equipment procured using Grant funds are at all times
operated and maintained in accordance with appropriate practices and that any repairs or renewals of such facilities are promptly made as needed.

3.6 Upon completion of the Activities, the Receiving Organization will deal with all equipment and materials financed out of the proceeds of the Grant in accordance with the provisions of the relevant provisions of the basic agreement between the Receiving Organization and the Beneficiary that governs the treatment of such equipment and materials or, if there is no relevant provisions, in accordance with the Receiving Organization’s policies and usual practices and procedures and shall so advise the Beneficiary.

4. Withdrawal of Grant Proceeds

4.1 Subject to the availability of funds in the Trust Fund, the Disbursing Organization will credit the proceeds of the Grant to an account opened by the Disbursing Organization on its books in the name of the Receiving Organization (the “Grant Account”), in line with the Project Budget set forth in Annex B, and as may be amended from time to time by the Trust Fund Steering Committee. The proceeds of the Grant may be withdrawn from the Grant Account by the Receiving Organization in accordance with the provisions of this Section 4. The Disbursing Organization will notify the Receiving Organization in writing as soon as any amount of the Grant has been credited to, and is available for disbursement from, the Grant Account.

4.2 The Receiving Organization will make withdrawals from the Grant Account by delivering to the Disbursing Organization a written notice of withdrawal, in line with the attached Annex B, and the Disbursing Organization will be entitled to rely upon such instructions. The notice of withdrawal must be signed on behalf of the Receiving Organization by official(s) designated by the Receiving Organization to sign such notices. The amounts set out in each notice of withdrawal will be disbursed to the bank account set out in section 4.3(b) of this Annex A unless the Disbursing Organization is otherwise notified in writing by the Receiving Organization.

4.3 (a) The Receiving Organization’s first notice of withdrawal will cover projected expenditures for the Activities for the first nine (9) months of implementation. The Receiving Organization will deliver to the Disbursing Organization subsequent notices of withdrawal each six (6) months thereafter, and each such notice will cover an amount representing the Recipient’s good faith projection of the expenditures for the Activities for the following nine (9) months, reconciling against amounts previously withdrawn and against the Project Budget.

(b) The Disbursing Organization will disburse to the Receiving Organization the full amount requested in each notice of withdrawal and will do so (i) by wire transfer in the currency of the Grant; (ii) within five (5) working days of receiving a notice of withdrawal; and (iii) to the following bank account or such other bank account as the Receiving Organization may nominate and notify in writing to the Disbursing Organization. When making such disbursements the Disbursing Organization will notify the Receiving Organization’s chief financial manager, by fax ([fax #]) or by e-mail ([email details]), of the following: (i) the amount transferred; (ii) the value date of the transfer; (iii) that the transfer is from the Disbursing Organization’s Grant Account for [grant name and number]; and (iv) the date of the notice of withdrawal to which the disbursement relates.

(c) The Receiving Organization will not make any commitments and/or file notices of withdrawal for amounts that exceed the Project Budget, unless the increase or reallocations within the Project Budget have been specifically authorized by the Trust Fund Steering Committee.

4.4 Withdrawals will be made only in the currency of the Grant.
4.5 Notwithstanding the provisions of Section 4.2 above:

(a) No withdrawals may be made from the Grant Account: (i) for payments made for expenditures prior to the date of signature of this Agreement by the Receiving Organization [], except that withdrawals in an aggregate amount not exceeding $__________ equivalent may be made for payments made prior to this date but on or after [insert retroactive financing date][2]; (ii) on account of payments for any taxes unless the Receiving Organization is required to make payment for such taxes; or (iii) for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations;

(b) The Receiving Organization may withdraw amounts of the Grant only to the extent that such amounts are available to the Disbursing Organization from the Trust Fund for the purposes of the Grant, it being understood that the Receiving Organization shall not be required to initiate or continue implementation of the Activities (including implementation using any amounts then already withdrawn from the Grant Account where the Receiving Organization determines that suspension of implementation is appropriate) while any amounts set out in a written notice of withdrawal from the Grant Account is unpaid.

(c) No withdrawals may be made from the Grant Account after ________ or such other date as may be approved by the Trust Fund Steering Committee (the “Closing Date”).

4.6 Following the Closing Date, and subject to the provisions of Section 4.5 above, the Receiving Organization will promptly reconcile the amounts withdrawn from the Grant Account against the amounts expended for the implementation of the Activities and refund to the Disbursing Organization any amounts not expended to finance the implementation of the Activities in accordance with Section 8.3 of this Annex A.

5. Accounts and Audits

5.1 The Receiving Organization will maintain or cause to be maintained a financial management system, including records and accounts, adequate to reflect the transactions related to the Activities, in accordance with the requirements of the relevant Financial Regulations and Rules of the Receiving Organization (the “Financial Regulations”).

5.2 The Receiving Organization will maintain in a separate ledger account in its records (the “Grant Control Account”) a complete, true and fair record of all disbursements to it from the Grant Account and all expenditures using the funds so disbursed to it.

5.3 During the term of this Agreement:

(a) The Receiving Organization shall prepare, on a six-monthly basis or more frequently should the Trust Fund Steering Committee, the Receiving Organization and the Disbursing Organization agree, interim unaudited financial reports, in accordance with accounting standards established pursuant to the Financial Regulations and in the format agreed with the Disbursing Organization, adequate to reflect the expenditures related to the Grant. The first interim unaudited financial reports will be provided to the Disbursing Organization no later than forty-five (45) days after the end of the first six-months period after the effectiveness of this Agreement, and will

[2] Use bracketed text if retroactive financing is allowed and approved by the Trust Fund Steering Committee for the programme/project.
cover the period from the incurring of the first expenditure under the Grant through the end of such first six-months period; thereafter, each interim unaudited financial report will be provided to the Disbursing Organization no later than forty-five (45) days after the end of each subsequent six-months period, and will cover such six-months period.

(b) The Receiving Organization will provide the Disbursing Organization with an annual financial statement of account certified by the Receiving Organization’s chief financial officer, showing income and the expenditure as of 31 December each year with respect to the Grant. Such financial statement of accounts will be provided within six (6) months after the closure of the Receiving Organization’s accounts for the year to which the annual financial statement relates. This financial statement will be in United States dollars. The exchange rate used for converting expenditures in other currencies will be the UN Operational Rate of Exchange in effect on the date the expenditure was made.

5.4 The Grant Control Account will be subject exclusively to the internal and external audit arrangements applicable to the Receiving Organization as set out in the Financial Regulations. The Parties will make their externally-audited financial statements and accompanying reports of their external auditors on their financial statements available to all other signatories to the FPA in accordance with Article 2(b)(II) of the FPA.

5.5 In the event that either the Receiving Organization or the Disbursing Organization becomes aware of factors that would indicate the need for further scrutiny of the implementation of Activities or any Grant expenditures (including non-frivolous allegations that corrupt, fraudulent, collusive or coercive practices were undertaken in relation to such Activities) the provisions of Section 7 of this Annex A will apply.

5.6 The Receiving Organization will retain all records evidencing all expenditures in respect of which withdrawals from the Grant Account were made, in accordance with its regulations, rules, policies and procedures relating to retention of records.

6. Monitoring and Evaluation; Programme Reporting

6.1. The Receiving Organization will monitor and evaluate implementation of the Activities in accordance with its applicable rules, regulations, policies and procedures, consistent with the standards reflected in the FPA.

6.2 The Receiving Organization will, at the same time it provides the semi-annual interim unaudited financial reports referred to in Section 5.3 (a) above (or at such other times as may be agreed between the Receiving Organization and the Trust Fund Steering Committee), provide to the Disbursing Organization, narrative progress reports on the impact of the Activities and progress towards achieving the identified outcomes for the Activities during the period to which such report relates.

6.3 The Disbursing Organization, in its capacity as administrator of the Trust Fund, will consolidate all reports provided by the Receiving Organization with relevant reports issued by other recipients of grants under this Trust Fund (including financial and narrative statements and reports) and furnish them to the Trust Fund Steering Committee in accordance with the timetable established by the Trust Fund Steering Committee, it being understood that the Disbursing Organization’s consolidation of the reports is not intended to confirm the Receiving Organization’s use of any Grant proceeds made hereunder, or to implement or supervise the Activities financed by the Grant.

7. Further Assurances; Consultation; Suspension and Termination of Withdrawals
7.1 In fulfillment of the undertakings of the Receiving Organization under Article 2(b)(I) of the FPA:

(a) In the event that the Receiving Organization or the Disbursing Organization becomes aware of information that indicates the need for further scrutiny of the implementation of Activities or any Grant expenditures (including non-frivolous allegations that corrupt, fraudulent, collusive or coercive practices were undertaken in relation to such Activities) the entity that has become aware of such factors shall promptly notify the other.

(b) This information will be brought promptly to the attention of the appropriate official or officials of the Receiving Organization and to the attention of the Trust Fund Steering Committee.

(c) Following consultation between the Receiving Organization, the Disbursing Organization, and the Trust Fund Steering Committee, the Receiving Organization will, to the extent the information relates to actions within the authority or accountability of the Receiving Organization, take timely and appropriate action in accordance with its accountability and oversight framework, including applicable regulations, rules, and administrative instructions, to investigate this information. For greater clarity on this matter the Parties agree and acknowledge that the Receiving Organization has no authority and accordingly shall have no responsibility to investigate any Government official or officials or consultants of the Disbursing Organization.

(d) To the extent such investigation confirms the allegations and to the extent that remedial action is within the authority of the Receiving Organization, the Receiving Organization will take timely and appropriate action in response to the findings of such investigation, in accordance with the Receiving Organization’s accountability and oversight framework and established procedures, including its Financial Regulations and Rules, where applicable. It is agreed and understood that such action may include, where the Receiving Organization concludes it is appropriate, the invoking and enforcement of the Receiving Organization’s contractual rights against third parties.

(e) To the extent consistent with the Receiving Organization’s oversight framework and established procedures, it will keep the Disbursing Organization and the Trust Fund Steering Committee regularly informed by agreed means of actions taken pursuant to Section 7.1(d) and the results of the implementation of such actions, including where relevant, details of any recovery of funds or writing-off of losses. The Receiving Organization will use its best efforts, consistent with its regulations, rules, policies and procedures, to recover any funds misused. The Receiving Organization will, in consultation with Disbursing Organization and the Trust Fund Steering Committee, credit any funds so recovered to the Grant Account or agree with them to use these funds for a purpose mutually agreed upon.

7.2 In the event that the Disbursing Organization reasonably believes that timely and appropriate action has not been taken, it may request direct consultations at a senior level between the Disbursing Organization and the Receiving Organization (in consultation with the Steering Committee) in order to obtain assurances that the Receiving Organization’s oversight and accountability mechanisms have been and are being fully applied in connection with such allegations. The Parties take note of the provisions of Article VIII of the United Nations Financial Regulations and Rules on external audit [and its analogous provisions in the financial regulations and rules of the Special Agencies].

7.3 The Disbursing Organization may, following consultation with the Receiving Organization and the Trust Fund Steering Committee, by notice to the Receiving Organization with a copy to the Trust Fund Steering Committee, suspend the right of the Receiving Organization to make further withdrawals from the Grant Account if any of the following events has occurred and is continuing:
(a) The Receiving Organization substantially deviates from agreed plans and budgets without prior approval of the Trust Fund Steering Committee and/or fails, without justification, materially to fulfill any of its substantive obligations pursuant to this Agreement, including its reporting obligations, and, after being given notice by letter to comply with those obligations, still fails to do so and fails to furnish a satisfactory explanation within thirty (30) days of receipt of the letter;

(b) The Disbursing Organization reasonably believes the actions taken by the Receiving Organization under Section 7.1 have not been sufficient to fulfill its fiduciary obligation with respect to the funds constituting the Grant; or

(c) The Receiving Organization has withdrawn or was deemed to have withdrawn from the FPA in accordance with Article 2(b)(IV) or Article 5 of the FPA.

7.4. The Disbursing Organization may, upon giving thirty (30) days’ written notice to the Receiving Organization with a copy to the Trust Fund Steering Committee, terminate the right of the Receiving Organization to make further withdrawals from the Grant Account at any time after the right of the Receiving Organization to make withdrawals of the Grant Account has been suspended pursuant to the provisions of Section 7.3 above.

7.5 For the purposes of this Agreement, the following definitions shall apply:

(a) “corrupt practice” is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;

(b) “fraudulent practice” is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;

(c) “collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;

(d) “coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.

8. Term and Termination

8.1 This Agreement will come into operation, effective as of the date the Receiving Organization countersigns the Agreement, as soon as the Disbursing Organization receives a copy of this Agreement countersigned by the Receiving Organization.

8.2 This Agreement will expire on completion of the Activities; provided however that the Receiving Organization may terminate it before that time by giving thirty (30) days’ notice to the Disbursing Organization, with a copy to the chair of the Trust Fund Steering Committee (a) if the Disbursing Organization exercises its rights under Section 7.4 above, or (b) for any reason.

8.3 Upon expiry or termination of this Agreement, the Receiving Organization will consult with the Trust Fund Steering Committee and the Disbursing Organization as to the proper use of any funds remaining unexpended in the Grant Control Account following satisfaction of outstanding commitments
and liabilities. Upon termination of this Agreement prior to the completion of the Activities the Parties will fully cooperate with each other to put in place arrangements for the completion of the Activities.

9. **Privileges and Immunities; Dispute Resolution**

9.1. Nothing in or related to this Agreement shall be or be construed to be a waiver, express or implied, of the privileges and immunities of either the Disbursing Organization or the Receiving Organization.

9.2. This Agreement shall be interpreted in a manner that is consistent with any applicable basic texts and conventions on privileges and immunities to which the Receiving Organization or the Disbursing Organization is a party.

9.3. The Parties shall use their best efforts to amicably resolve any dispute, controversy, or claim arising out of or relating to this Agreement and in the event that it is not thus resolved, it shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules.

10. **Notices**

10.1. Any notice or request required or permitted to be given under this Agreement shall be given in writing. All notices given under this Agreement will be copied to the head of the Trust Fund Steering Committee.

10.2. The following addresses are specified for purposes of this Agreement:

For the **Disbursing Organization:**

[ ]

with a copy to:

[chief financial officer]

For the **Receiving Organization:**

[ ]

with a copy to:

[chief financial officer]
1. **Project Description**

1.1. The objective of the Project is to: _________________

1.2. The expected outcomes and activities financed by this Grant (Activities) are as follows:

   [Describe project activities and expected outcomes, including targets for monitoring their progress]

2. **Project Budget**