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**Sent:** Thursday, June 28, 2007 3:38 PM

**To:** rr-net@groups.undp.org

**Subject:** [rr-net] UNDP accountability when acting as Administrative Agent in Multi-donor Trust Funds and/or UN Joint Programmes

United Nations Development Programme

*UNDP accountability when acting as  
Administrative Agent in Multi-donor Trust  
Funds and/or UN Joint Programmes*



28 June 2007

Dear colleagues,

Please find [here](#) the new policy governing UNDP's accountability when acting as Administrative Agent in Multi-donor Trust Funds and/or UN Joint Programmes using the pass-through modality. This policy is an important element in my commitment to establishing clear and distinct lines of accountability relating to functions undertaken by UNDP on behalf of the UN system.

Please feel free to direct any questions or feedback on this matter to [Bisrat Aklilu](#), Executive Coordinator of the Multi-Donor Trust Fund Office. The Assistant Administrator and Director of the Partnership Bureau, in consultation with the Assistant Administrators and Directors of BCPR, BDP, BOM and Regional Bureaux, will also provide you with further clarification and guidance as needed.

I look forward to your full cooperation.

Kemal Dervis

**UNDP's accountability when acting as Administrative Agent in Multi-Donor Trust Funds and/or UN Joint Programmes using the pass-through fund management modality**

<b>Document Name</b>	<b>UNDP's accountability when acting as Administrative Agent in Multi-Donor Trust Funds and/or UN Joint Programmes</b>
<b>Language(s)</b>	English French and Spanish
<b>Responsible Unit</b>	Executive Office, UNDP
<b>Creator(s) (individuals)</b>	Bisrat Aklilu
<b>Subject (taxonomy)</b>	Multi Donor Trust Funds; Joint Programmes; Accountability
<b>Date created</b>	20/06/2007
<b>Effective date</b>	26/06/2007
<b>Mandatory Review</b>	(12 months past publish date)
<b>Audience</b>	Resident Coordinators/Resident Representatives and their Deputies and all UN staff involved in the UNDP-managed Pass-Through Trust Funds and/of UN Joint Programmes
<b>Applicability</b>	Management of Multi Donor Trust Funds and/of UN Joint Programmes
<b>Replaces</b>	N/A
<b>Is part of</b>	<a href="#">UNDG Joint Programming Guidelines</a> ; <a href="#">Pass-Through Fund Management, UNDP User Guide</a> ; <a href="#">UNDP's Cost Recovery Policy</a> ; <a href="#">Operations Group decisions</a>
<b>Related documents</b>	N/A
<b>UN Record Ref.</b>	N/A

In the context of growing efforts of the UN system towards enhanced coherence and efficiency at the country level and increasing joint UN activities, UNDP is often called upon to play the role of Administrative Agent for Multi-Donor Trust Funds (MDTFs)<sup>1</sup> and pass-through arrangements established by the UN system for joint programmes. These UN joint programmes exist in humanitarian, transition as well as reconstruction and development contexts. It is in this connection that UNDP established the Multi-Donor Trust Fund Office within the Partnership Bureau in May 2006<sup>2</sup>.

As you may recall, the pass-through modality is one of three possible fund management options for funding received in support of UN joint programmes. In a pass-through arrangement, donors and Participating UN Organizations agree to channel funding through one Participating UN Organization, referred to as the Administrative Agent, who is jointly selected by all Participating

<sup>1</sup> Currently, UNDP is administering Multi-Donor Trust Funds and Joint Programmes such as the DR Congo Pooled Fund, Sudan Common Humanitarian Fund, Lebanon Recovery Fund, UN Peacebuilding Fund, UN Central Fund for Influenza Actions, UNDG Iraq Trust Fund as part of the International Reconstruction Fund Facility for Iraq, the UN Nepal Peace Fund as well as the UNDP/Spain MDG Achievement Fund The total cumulative MDTF portfolio stands currently at about \$2 billion.

<sup>2</sup> See the related decision of the Operations Group ([OG-2006.04.12-3.1](#)) as well as the note of Bruce Jenks to RRs of 25 May 2006.

UN Organizations. As such, the Administrative Agent is the appointed interface between the Participating UN Organizations and the donors.

Principal functions of the Administrative Agent include:

1. receiving donor contributions on behalf of the Participating UN Organizations;
2. disbursing funds to Participating UN Organizations as instructed by the fund allocating Steering Committee or equivalent mechanism;
3. reporting on the sources and uses of donor contributions received;
4. consolidating reports from Participating UN Organizations for submission to donors;
5. consolidating key audit recommendations received from the auditors of the Participating UN Organizations as well as the audit of the Administrative Agent.

These Administrative Agent functions have to be clearly separated by a “firewall” from UNDP’s other function as a Participating UN Organization implementing a specific part of the joint programme consistent with its practice areas.

**Therefore, this document is aimed at ensuring that UNDP’s accountability as Administrative Agent is properly safeguarded and exercised, and UNDP’s role as Administrative Agent on behalf of UN agencies is clearly recognized and differentiated from its role as Participating UN Organization by our UN partners and donors.**

1. There will be a firewall between UNDP’s role as Participating UN Organization implementing Multi-Donor Trust Fund/UN Joint Programme activities in line with its operational mandate on one hand and as Administrative Agent on behalf of Participating UN Organizations on the other. To establish an effective distinction between these two functions, accountability for UNDP’s function as Participating Organization will be exercised by the concerned Regional Bureaux, the Bureau of Development Policy, BDP and/or Bureau for Crisis Prevention and Recovery, BCPR. The accountability for UNDP’s function as Administrative Agent in Multi-Donor Trust Funds and UN Joint Programme pass-through arrangements has been delegated to the Executive Coordinator of the MDTF Office reporting to the Assistant Administrator and Director of the Partnership Bureau.
2. While accountability for UNDP’s Administrative Agent function rests with the Executive Coordinator of the MDTF Office<sup>3</sup>, specific tasks related to the Administrative Agent role will be performed to the extent possible by UNDP Country Offices with explicit delegation from the MDTF Office. Such delegations shall include the details regarding how the Executive Coordinator of the MDTF Office will provide oversight over the delegated functions.
3. In particular the following will apply:

Signature of related Memoranda of Understanding between Participating UN Organizations and UNDP as Administrative Agent as well as Letters of Agreement between UNDP as Administrative Agent and a donor will be signed for UNDP as Administrative Agent by the

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<sup>3</sup> This would include obtaining appropriate authoritative actions from the concerned UNDP officials (e.g. certification of financial reports by the UNDP Comptroller, treasury functions).

Executive Coordinator of the MDTF Office who can authorize a UNDP official at the concerned Country Office to sign “for” him/her, where applicable on a case by case basis.

The submission of relevant narrative and financial reports, consolidated by UNDP as the Administrative Agent, will be governed by the applicable arrangements specified in the relevant Memorandum of Understanding signed with Participating UN Organizations and Letter of Agreement signed with donors.

- a. In cases where the Multi-Donor Trust Fund is a **single country operation**, the Executive Coordinator of the MDTF Office will delegate the performance of as many Administrative Agent tasks as is feasible to the UNDP Resident Representative. The UNDP Resident Representative will, in the performance of Administrative Agent tasks at the country level, be accountable to the Executive Coordinator of the MDTF Office. Detailed agreements on the delegated performance of specific Administrative Agent tasks will be established by the MDTF Office on a case by case basis ensuring that capacity requirements are met.
- b. In cases of UN Joint Funds established in the **One UN pilot countries** as well as any other UN Joint Fund aimed at increasing coherence, leadership and effectiveness of the UN system at the country level (using the pass-through fund management arrangement), the performance of the Administrative Agent tasks will be as follows:
  - i) There will be a double signature arrangement for signature of the respective Memoranda of Understanding and Letters of Agreement: The UNDP Country Director (or UNDP Senior Deputy Resident Representative in Country Offices where there is no Country Director) will, after due authorization from the Executive Coordinator of the MDTF Office, sign these documents on behalf of him/her for UNDP as Administrative Agent. In addition, the UN Resident Coordinator will sign as UN Resident Coordinator in his/her capacity of Chairperson of the Joint Programme Steering Committee to signify the Resident Coordinator’s leadership of these funds.
  - ii) Other Administrative Agent tasks will be delegated by the Executive Coordinator of the MDTF Office to the UNDP Resident Representative on a case by case basis ensuring that capacity requirements are met. The UNDP Resident Representative will, in the performance of Administrative Agent tasks at the country level, be accountable to the Executive Coordinator of the MDTF Office.
- c. In cases of
  - i) **multi-country UN Joint Funds**, such as the ones to be established in the context of the recently launched UNDP/Spain MDG Achievement Fund,

- ii) Multi-Donor Trust Funds with **multi-country operations, such as the UN Peacebuilding Fund,**
- iii) Multi-Donor Trust Funds with the decision-making body located in New York or other Headquarter units and/or
- iv) Multi-Donor Trust Funds operating in politically or operationally complex environments that dictate the performance of the Administrative Agent functions from Headquarters in New York, such as the UNDG Iraq Trust Fund as part of the International Reconstruction Fund Facility for Iraq,

the Administrative Agent tasks will be performed directly by the MDTF Office.

- d. In **all other UN joint programmes using pass-through arrangements**, UNDP's tasks as Administrative Agent will, when explicitly delegated by the Executive Coordinator of the MDTF Office, be performed by the UNDP Country Office consistent with the UNDG Joint Programming Guidelines currently in force. The UNDP Resident Representative will, in the performance of Administrative Agent tasks at the country level, be accountable to the Executive Coordinator of the MDTF Office.
4. In carrying out UNDP's Administrative Agent functions, the MDTF Office will maintain the highest standards of transparency and accountability. It will draw on the expertise of other bureaux (such as BDP, the Bureau of Management, BOM and BCPR). As appropriate, the MDTF Office will consult with the Office of Finance and Administration as well as the Office of Legal and Procurement Services regarding the clearance of non-standard Memoranda of Understanding and Letters of Agreement. The MDTF Office will act as the UNDP Headquarter focal point and repository of these documents in relation to all Multi-Donor Trust Funds and UN joint programmes for which UNDP is performing the Administrative Agent function. The MDTF Office will ensure the consistent application of the Joint Programming Guidelines and facilitate the systematic sharing of best-practices of UNDP's implementation of its Administrative Agent functions.
  5. Based on applicable guidelines of the Bureau of Management, a transparent apportionment of the associated UNDP Administrative Agent fee (usually 1% of financial contributions to Multi-Donor Trust Funds/UN joint programmes using the pass-through modality) between the MDTF Office, the UNDP Country Office and HQ Central Services reflecting the division of labor and associated workload of the different units will be agreed on up front for each Multi-Donor Trust Fund/Joint Programme using the pass-through modality.
  6. The Executive Coordinator of the MDTF Office will submit semi-annual reports on the activities of the MDTF Office to the Administrator, through the Assistant Administrator and Director of the Partnership Bureau, with a copy to the Associate Administrator.