

**Standard Administrative Arrangement
between
Sweden, represented by the Swedish International Development Cooperation
Agency
and
the United Nations Development Programme**

WHEREAS, Participating United Nations Organizations that have signed a Memorandum of Understanding (hereinafter referred to collectively as the “Participating UN Organizations”) have developed a Joint Programme entitled *Strengthening the Rule of Law in the oPt - Justice and Security for the Palestinian People* (hereinafter referred to as the “Joint Programme”) starting on 1 May 2014 and ending on 30 April 2017, as may be amended from time to time, as part of their respective development cooperation with the Palestinian Authority, as more fully described in the Joint Programme Document (hereinafter referred to as the “Joint Programme Document”), a copy of which is attached hereto as ANNEX A, and have agreed to establish a coordination mechanism (hereinafter referred to as the “Steering Committee”) to facilitate the effective and efficient collaboration between the Participating UN Organizations for the implementation of the Programme.

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

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

WHEREAS, Sweden, represented by the Swedish International Development Cooperation Agency (hereinafter referred to as the “Donor”), wishes to provide financial support to the Joint Programme on the basis of the Joint Programme Document as part of its development cooperation with the Palestinian Authority and wishes to do so through the Administrative Agent as proposed by the Participating UN Organizations.



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

Section I
Disbursement of Funds to the Administrative Agent
and the Joint Programme Account

1. The Donor decides to make a contribution of thirty-nine million Swedish kronor (SEK 39 million) and such further amounts as it may decide (hereinafter referred to as the “Contribution”) to support the Joint Programme. The Contribution will enable the Participating UN Organizations to support the Joint Programme in accordance with the Joint Programme Document, as amended from time to time in writing by the Steering Committee. The Donor authorizes the Administrative Agent to use the Contribution for the purposes of the Joint Programme and in accordance with this Standard Administrative Arrangement (hereinafter referred to as “Arrangement”). The Donor acknowledges that the Contribution will be co-mingled with other contributions to the Joint Programme Account and that it will not be separately identified or administered.

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

NORDEA BANK SWEDEN A.B.
Foreign Customer Services
P.O. Box 16081/Drottninggatan 4
SE - 103 22 Stockholm, Sweden

UNDP Contributions (SEK) Account
SE453000000048491300046
SWIFT Code: NDEASESS
IBAN No.: SE453000000048491300046
Bank Account Holder: UNDP
Currency of Account: SEK

3. When making a transfer to the Administrative Agent, the Donor will notify the Administrative Agent’s Treasury Operations at mptfo.treasury@undp.org and the MPTF Office at executivecoordinator.mptfo@undp.org of the following: (a) the amount transferred, (b) the value date of the transfer; and (c) that the transfer is from Sweden, as represented by the Swedish International Development Cooperation Agency, in respect of the Joint Programme in the occupied Palestinian territory pursuant to this Arrangement. The Administrative Agent will promptly acknowledge receipt of funds in writing.

4. All financial accounts and statements will be expressed in United States dollars.

5. The US dollar value of a contribution-payment, if made in currencies other than United States dollars, will be determined by applying the United Nations operational rate

of exchange in effect on the date of receipt of the Contribution. The Administrative Agent will not absorb gains or losses on currency exchanges. Such amounts will increase or decrease the funds available for disbursements to Participating UN Organizations.

6. The Joint Programme Account will be administered by the Administrative Agent in accordance with the regulations, rules, directives and procedures applicable to it, including those relating to interest. The Joint Programme Account will be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the Administrative Agent.

7. The Administrative Agent will be entitled to allocate an administrative fee of one percent (1%) of the Contribution by the Donor, to cover the Administrative Agent's costs of performing the Administrative Agent's functions.

8. The Steering Committee may request any of the Participating UN Organizations, to perform additional tasks in support of the Joint Programme not related to the Administrative Agent functions detailed in Section I, Paragraph 2 of the Memorandum of Understanding and subject to the availability of funds. In this case, costs for such tasks will be decided in advance and with the approval of the Steering Committee be charged to the Joint Programme as direct costs.

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

1. The Administrative Agent will make disbursements from the Joint Programme Account in accordance with instructions from the Steering Committee, in line with the Joint Programme Document, as amended in writing from time to time by the Steering Committee. The disbursement to the Participating UN Organizations will consist of direct and indirect costs as set out in the Joint Programme budget.

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

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

Section III
Implementation of the Joint Programme

1. The implementation of the programmatic activities which the Donor assists in financing under this Arrangement will be the responsibility of the Participating UN Organizations and will be carried out by each Participating UN Organization in accordance with its own applicable regulations, rules, policies and procedures including relating to procurement. The Donor will not be directly responsible or liable for the activities of any person employed by the Participating UN Organizations or the Administrative Agent as a result of this Arrangement.
2. The Participating UN Organizations will carry out the activities for which they are responsible, in line with the budget contained in the Joint Programme Document, as amended from time to time by the Steering Committee in accordance with the regulations, rules, directives and procedures applicable to it. Accordingly, personnel will be engaged and administered, equipment, supplies and services purchased, and contracts entered into in accordance with the provisions of such regulations, rules, directives and procedures.
3. Indirect costs of the Participating UN Organizations recovered through programme support costs will be 7%. In accordance with the UN General Assembly resolution 62/208 (2007 Triennial Comprehensive Policy Review principle of full cost recovery), all other costs incurred by each Participating UN Organization in carrying out the activities for which it is responsible under the Joint Programme will be recovered as direct costs.
4. The Participating UN Organizations will commence and continue to conduct operations for the Joint Programme activities only upon receipt of disbursements as instructed by the Steering Committee.
5. The Participating UN Organizations will not make any commitments above the budgeted amounts in Joint Programme Document, as amended from time to time by the Steering Committee.
6. If unforeseen expenditures arise, the Steering Committee will submit, through the Administrative Agent, a supplementary budget to the Donor showing the further financing that will be necessary. If no such further financing is available, the activities to be carried out under the Joint Programme Document may be reduced or, if necessary, terminated by the Participating UN Organizations. In no event will the Participating UN Organizations assume any liability in excess of the funds transferred from the Joint Programme Account.
7. The Donor reserves the right to discontinue future contributions if reporting obligations are not met as set forth in this Arrangement; or if there are substantial deviations from agreed plans and budgets. If it is agreed among the Donor, the Administrative Agent and the concerned Participating UN Organization under the



Arrangement that there is evidence of improper use of funds, the Participating UN Organization will use their best efforts, consistent with their regulations, rules, policies and procedures to recover any funds misused. The Participating UN Organization will, in consultation with the Steering Committee and the Administrative Agent, credit any funds so recovered to the Joint Programme Account or agree with the Steering Committee to use these funds for a purpose mutually agreed upon. Before withholding future contributions or requesting recovery of funds and credit to the Joint Programme Account, the Administrative Agent, the concerned Participating UN Organization and the Donor will consult with a view to promptly resolving the matter.

8. The Participants recognize that it is important to take all necessary precautions to avoid corrupt, fraudulent, collusive or coercive practices. To this end, as set out in the MoU between the Administrative Agent and Participating UN Organizations regarding the Operational Aspects of the Joint Programme entitled *Strengthening the Rule of Law in the oPt - Justice and Security for the Palestinian People*, each Participating UN Organization will maintain standards of conduct that govern the performance of its staff, including the prohibition of corrupt, fraudulent, collusive or coercive practices in connection with the award and administration of contracts, grants, or other benefits, as set forth in their Staff Regulations and Rules and the Financial Regulations and Rules, including regarding procurement.

Section IV **Equipment and Supplies**

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

Section V **Reporting**

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

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

them from the Joint Programme Account, to be provided no later than three months (31 March) after the end of the calendar year;

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

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

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

3. Consolidated reports and related documents will be posted on the websites of the UN in the occupied Palestinian territory and the Administrative Agent.

Section VI **Monitoring and Evaluation**

1. Monitoring and evaluation of the Joint Programme including, as necessary and appropriate, joint evaluation by the Participating UN Organizations, the Administrative Agent, the Donor, the host Government (if applicable) and other partners will be undertaken in accordance with the Joint Programme Document.

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

Section VII
Joint Communication

1. Information given to the press, to the beneficiaries of the Joint Programme, all related publicity material, official notices, reports and publications, will acknowledge the role of the Palestinian Authority, the donors, the Participating UN Organizations, the Administrative Agent and any other relevant entities.
2. The Administrative Agent in consultation with the Participating UN Organizations will ensure that decisions regarding the review and approval of the Joint Programme as well as periodic reports on the progress of implementation of the Joint Programme, associated external evaluations are posted, where appropriate, for public information on the websites of the Participating UN Organizations and the Administrative Agent. Such reports and documents may include Steering Committee approved programmes and programmes awaiting approval, fund level annual financial and progress reports and external evaluations, as appropriate.

Section VIII
Expiration, Modification and Termination

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



Section IX
Notices

1. Any action required or permitted to be taken under this Arrangement may be taken on behalf of the Donor, by Mr. Axel Wernhoff or his designated representative, and on behalf of the Administrative Agent, by Mr. Frode Mauring or his designated representative.

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

For the Donor:

Name: Mr. Axel Wernhoff
Title: Consul General
Address: 49 Ibn Jubir Street, P.O. Box 297 Jerusalem 91002
Telephone: +972 2 646 5877
Fax: +972 2 646 5861
Electronic mail: axel.wernhoff@gov.se

For the Administrative Agent:

Name: Mr. Frode Mauring
Title: Special Representative of the Administrator
Address: 4A Ya'qubi Street, P.O. Box 51359 Jerusalem 91911
Telephone: +972 2 626 8200
Facsimile: +972 2 626 8222
Electronic mail: frode.mauring@undp.org

Section X
Entry into Effect

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

Section XI
Settlement of Disputes

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



Section XII
Privileges and Immunities

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

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

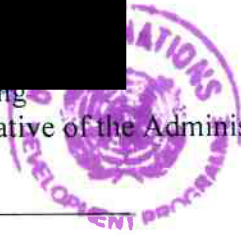
For the Donor:

Signature: _____
Name: Mr. A _____
Title: Consul General
Place: Jerusalem
Date: 30/5 2014



For the

Signature: _____
Name: Mr. Frode Mauring
Title: Special Representative of the Administrator
Place: Jerusalem
Date: 30/5/14



ANNEX A: Joint Programme Document
ANNEX B: Schedule of Payments
ANNEX C: Ancillary Matters Pertaining to Donor Coordination and Implementation

ANNEX B

SCHEDULE OF PAYMENTS

Schedule of Payments:	Amount:
Upon signature of the agreement	SEK 13,000,000
First quarter 2015, upon approval of work plan for 2015	SEK 13,000,000
First quarter 2016, upon approval of work plan for 2016	SEK 13,000,000



Annex C: Ancillary Matters Pertaining to Donor Coordination and Implementation

1. Regular monitoring of programme risks

- Annex A of the programme document articulates 22 foreseen possible risks, many of which are beyond the control of the programme. In order to closely monitor the degree to which risks materialise as the programme unfolds, both the implementing agencies and the programme donors are committed to regularly reviewing the status of risks and, where warranted, to make adjustments in programme implementation. This mechanism will not substitute for Programme Board meetings. Should an issue present a major challenge to programme implementation, then an *ad hoc* Programme Board meeting will be called in order for it to be addressed.
- This regular dialogue between the implementing agencies and the programme donors will also present an opportunity to share information regarding progress of the programme and where it is evident that there are bottlenecks, to discuss how they might be addressed through the coordinated efforts of both the implementing agencies and the programme donors directed to achieve advances on key policy or strategic reform issues.
- To ensure strong communication is maintained throughout the duration of the programme, the implementing agencies and the programme donors will meet to monitor and address risks to the smooth implementation of the programme, every three months or more frequently if needed. The implementing agencies will call for the first such dialogue meeting within the first two months of the commencement of the programme. At each dialogue meeting, the date for the subsequent dialogue meeting will be agreed between participants. The implementing agencies will be responsible for taking minutes, with final minutes to be endorsed by all participants.
- In addition to these regular dialogue meetings, the programme management team will maintain strong and open communication on programme developments and achievements with all members of the donor consortium.

2. Workings of the donor consortium

- Donors/development partners will enter into separate agreements with the implementing agencies relating to financial support to the programme.
- However, the programme donors will function as a consortium in relation to the ongoing work of the programme, including by providing the implementing agencies with consolidated feedback on key programme documentation or milestones.
- The programme donors will nominate a rotating focal point, either time-based or assignment-based, to liaise with the other members of the consortium to compile consolidated comments for submission to the implementing agencies.

3. Major reporting milestones for the programme

- The implementing agencies will prepare results-based annual narrative and financial reports which will be made available to all members of the donor consortium. The annual reports will be provided to the donor consortium at the end of the first quarter (i.e. 31 March 2015, 2016 and 2017) of the year following the reporting period. These dates may be negotiated or discussed with the relevant focal point for the consortium, as appropriate.

- In addition, the implementing agencies will prepare annual work plans which will be submitted for endorsement prior to the commencement of each calendar year. The annual work plans also form the basis for the disbursement requests. These dates may be negotiated or discussed with the relevant focal point for the consortium, as appropriate.
- As provided for in the programme document, a mid-term review will be undertaken. The mid-term review will enable a comprehensive assessment of the capacities achieved in relevant partner institutions, and the level of sustainability reached in relation to programme activities. The mid-term review will be undertaken in June-July 2015. These dates can be negotiated or discussed with the relevant focal point for the consortium, as needed. A Programme Board meeting will be conducted soon after completion of the mid-term review to determine if any adjustments to planned programming are necessary.
- The programme document also provides for the conduct of an independent outcome evaluation to assess the level of progress made towards achieving the outputs and outcomes listed in the programme document. The evaluation will take place four to five months prior to the expected closing date of the programme, i.e. in November-December 2016. The timing can be negotiated or discussed with the relevant focal point for the consortium, as needed. The terms of reference will be shared with the donor consortium for review prior to advertising.

4. Mechanism/contingency plan for addressing any funding shortfall

- With strong commitments from a number of influential donors in the sector, UNDP/PAPP and UN Women are confident that the programme will be fully funded within the first 12 months of implementation. In the meantime, UNDP/PAPP and UN Women will continue to step-up resource mobilisation efforts on all fronts, with dedicated senior management support.
- Since UNDP/PAPP and UN Women anticipate that the programme will be fully funded within the first 12 months of implementation, a 12-month assessment will be undertaken under the auspices of the Programme Board - and in particular in conjunction with established programme donors - with specific attention devoted to address any remaining funding gaps. In the event of a funding shortfall, this Programme Board will devise precise directives to address shortfalls and protect existing investments, including, as necessary, via the reprioritisation of particular activities.
- As noted above, regardless of the funding situation, a mid-term review of the Joint Programme will be a critical moment for decision-making related to on-going priorities. This will also provide another opportunity to reassess funding allocations vis-à-vis programme components and progress on implementation. Biannual Programme Board meetings also provide a further regular and *ad hoc* mechanism to make adjustments as needed, throughout the Joint Programme.
- These mechanisms provide the basic systems and participatory structures for redirecting and (re)focusing interventions in response to any variation in tolerances, changing contextual realities, key emerging issues and/or shifting financial demands during the course of the programme.