**Protocol on the Administrative Agent for**

**Multi Donor Trust Funds, Joint Programmes, and One UN Funds**

This protocol is an understanding of the roles and responsibilities of the Administrative Agent (AA) for UNDG Multi Donor Trust Funds (MDTFs), Joint Programmes (JPs) and One UN Funds and is based on the standard [Memorandum of Understanding (MOU)](https://undg.org/wp-content/uploads/2015/09/Standard-MOU-for-MPTF-August-2015-2.doc) and [Standard Administrative Arrangement](https://undg.org/wp-content/uploads/2015/09/Standard-SAA-for-MPTFs-August-2015.doc) or equivalent UNDG approved contribution agreements[[1]](#footnote-2) (hereinafter referred to as “SAA”) and other documents.

As the administrative interface between the donors contributing to the particular MDTFs/JPs/One UN Fund (hereinafter referred to as “Fund/Programme”) and the Participating UN Organizations (PUNOs), the AA will adhere to the AA duties and responsibilities specified in the respective MOU and SAA, and the applicable UNDG guidelines. Further, the AA will adhere to the financial regulations and rules, policies and procedures of the UN organization to which the AA belongs, including policies and procedures specific to the AA function.

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

1. The PUNOs typically will decide on the AA for the Fund/Programme[[2]](#footnote-3), in accordance with the terms and conditions set out in the respective MOU. The entity selected as AA is typically best placed to fulfil the AA functions for that particular Fund/Programme, and is frequently (but not necessarily) also a PUNO. The AA will accept this appointment on the understanding that the PUNOs assume full programmatic and financial accountability for the funds disbursed to them by the AA. This appointment will continue until it expires upon the delivery of the certified final financial statement to the donor(s), or is terminated in accordance with the relevant MOU.[[3]](#footnote-4)

On behalf of the PUNOs, the AA will:

1. Sign SAAs with donors and receive contributions from donors that wish to provide financial support to the Fund/Programme through the AA. It is noted that the AA cannot enter into any other agreements with donors that would impose responsibilities on PUNOs without their prior written consent;
2. Administer such funds received in accordance with its regulations, policies and procedures, as well as the relevant MOU and Fund Terms of Reference (TOR) and SAA, including the provisions relating to winding up the Fund account and related matters;
3. Subject to availability of funds, disburse such funds to each of the PUNOs in accordance with decisions from the Steering Committee (SC), taking into account the budget set out in the approved TOR/JP documents;
4. Ensure consolidation of statements and reports[[4]](#footnote-5), based on submissions provided by each PUNO, as set forth in the TOR/JP document and provide these to each donor that has contributed to the Fund/Programme account and to the SC;
5. Provide final reporting, including notification that the Fund/Programme has been operationally completed;
6. Disburse funds to any PUNO for any additional costs of the task that the SC may decide in accordance with the programmatic document/JP document.
7. The SC may request any of the PUNOs, to perform additional tasks in support of the Fund/Programme not related to the AA functions and subject to the availability of funds. Costs for such tasks will be agreed in advance and with the approval of the SC be charged to the Fund/Programme as direct costs.

1. The AA will interact with the donors on a bilateral basis for signing of the SAA.
2. Any substantial modification to the MOU or SAA (i.e. changes linked to the legal relationships described in the MOU or SAA, such as the governance mechanisms, reporting arrangements or equivalent) requires the prior written agreement of the PUNOs and the AA of the particular Fund, and needs to be cleared by the UNDG Advisory Group through the UN Development Operations Coordination Office (DOCO). The AA will communicate with DOCO to seek clearance from the UNDG Advisory Group.
3. The AA will ensure the posting of the SAA and information on donor contributions on the relevant website. Further, in consultation with the PUNOs, the AA will also post decisions regarding the review and approval of the Fund, as well as consolidated reports and related documents on the relevant website. In all external communications relating to the Fund/Programme the AA will ensure due recognition of the role of each PUNO and national partner.
4. Where the AA is also a PUNO, a clear delineation, including distinct reporting lines and an accountability framework, will be established and maintained between its functions as an AA and its functions as a PUNO.
5. The AA is entitled to allocate an administrative fee of one percent (1%) of the amount contributed by each donor signing a SAA, to meet the AA’s costs of performing the AA functions described in the relevant MOU. The AA will also be entitled to charge to the Fund/Programme a direct cost charge consistent with applicable UNDG guidance, including to cover the cost of continuing to render AA functions if and when the SC agrees to extend the Fund/Programme beyond the end date as specified in the MOU with no further contributions to the Fund.
6. Where the AA is also a PUNO, a clear delineation, including distinct reporting lines and an accountability framework, will be established and maintained between its functions as an AA and its functions as a PUNO.
7. Any substantial modification to the MOU or SAA (i.e. changes linked to the legal relationships described in the MOU or SAA, such as the governance mechanisms, reporting arrangements or equivalent) requires the prior written agreement of the PUNOs and the AA of the particular Fund, and needs to be cleared by the UNDG Advisory Group through the UN Development Operations Coordination Office (DOCO).

**II Role of AA in Fund/Programme design and in support of fund operations**

1. The AA may be requested to support the design stage of the Fund/Programme even before the formal decision to select the AA is made. In particular, the AA may be requested to contribute to the design of the Fund concept note or TOR/JP document. In providing support during the design stage, the AA will ensure that the stakeholders involved in the fund design process are duly informed of the applicable UNDG policies and guidance relevant to the design of the Fund/Programme. Irrespective of the role of the AA in fund design, the accountability for delivering the Fund outputs and outcomes, once the Fund is established, lies with the PUNOs and the SC.
2. The AA will ensure that the SC and the Secretariat/Resident Coordinator Office (RCO)/Convening Agent (CA) are duly informed of the applicable UNDG policies and procedures relevant to fund operations, such as policies and procedures related to internal coordination and risk management, fund allocation and transfer (including thresholds), fund monitoring, evaluation and reporting, extending a Fund/Programme, and closing a Fund/Programme.
3. The AA may be requested to support the SC and/or the Secretariat/RCO/CA with knowledge management support and advisory services on aspects of fund operations. Any support thus provided should respect the clear delineation between the AA functions and the functions as a PUNO performing additional tasks in support of the Fund/Programme not related to the AA functions.
4. The AA will consult promptly with the SC when it is informed of donor concerns, notably those relating to the donors’ right to discontinue future deposits in line with the provisions of the SAA. Similarly, the AA will promptly inform the donors when it is informed by the SC in line with the provisions of the SAA, on issues that need to be brought to the attention of donors, including requests for supplementary budget.

**III Reporting**

1. Each PUNO will provide the financial statements and reports, and the narrative reports, as set forth in the MOU and SAA of the particular Fund. The AA will in turn ensure the preparation of consolidated narrative progress and financial reports, based on the reports provided. In this the AA will collaborate with the Secretariat/RCO/CA.
2. The AA will provide the consolidated reports to each donor that has contributed to the Fund/Programme, as well as the SC, in accordance with the timetable established in the MOU and SAA. The AA will submit the report it has consolidated to the PUNOs and the SC for review and approval before submitting it to donors.

**IV Oversight and Accountability**

1. The AA will be an ex-officio member of the SC. The AA is accountable for effective and impartial fiduciary management of the Fund in accordance with UNDG agreed policies and procedures.
2. The AA will be accountable for the performance of its role and responsibilities as AA as outlined in the accountability framework of the UN organisation to which it belongs. Preferably the AA should not directly report to the unit responsible for fund raising to avoid the perception of a conflict of interest.
3. As defined in the 2008 UNDG management and accountability framework, the AA will also be accountable for its performance and responsibilities as AA to the UNDG Advisory Group through the UNDG Fiduciary Management Oversight Group, both supported by DOCO. The AA will report annually to these UNDG oversight bodies in line with UNDG policies.
1. This includes other UNDG agreed standard contribution agreements with multilateral partners, such as the European Union. [↑](#footnote-ref-2)
2. In some cases the Secretary General or a Secretariat entity as fund sponsor appoints the AA. [↑](#footnote-ref-3)
3. A more detailed description of the role of AA for MDTFs, Joint Programmes and One Funds is contained in the MOU and SAA, in particular Section I of the MOU: Appointment of Administrative Agent; Status, Duties and Fee and Section II of the MOU: Financial Matters. [↑](#footnote-ref-4)
4. The actual consolidation of narrative reports before submitting to the AA will normally be the responsibility of the Fund Secretariat (MDTFs), Convening Agent (Joint Programme), or RC Office (One UN Funds). [↑](#footnote-ref-5)