

ATLAS ACCOUNTING REFERENCE REQUEST

FUND

Fund 55013
Donor 54392

Shaded areas are required fields.

Part I REQUESTOR INFORMATION

Date (dd/mm/yyyy): 28 July 2010

Requested by: Ana Maria Carvajal, PB Operations Specialist

Reason for Request: To create a new Fund Code as per the signed Agreement for the South Korea-UNDP MDG Trust Fund

Will this fund have more than one donor? Yes _____ No X

Approved by: *Must be approved by a Manager (level 2) or a Senior Manager*

Romesh Muttukumar, OIC PB

Name

Signature

Part II ACTION TO BE TAKEN (Check one)

- Add Fund X
- Inactivate Fund _____
- Amend description (Correct History) _____

PART III FUND ACCOUNT INFORMATION

Proposed Fund ID: _____ (Final Fund ID will be assigned centrally)

Fund Description Long: UNDP-SOUTH KOREA MDG Trust Fund for Programmatic, Fund Based Cooperation

Short Description: SK MDG TF

Effective Date: 2010 Expiry Date: _____

Fund Manager Name: Sigrid Kaag Bureau: Partnerships Bureau

Part IV TREES

Tree name: _____

Date: _____

Updated by: _____

Part V APPROVAL

Approved by: _____

Date: _____

Entered by: _____

Date: _____

Part VI BUDGET DEFINITION

Budget Definition Created by: _____

Date: _____

**CLEARANCE SLIP FOR ESTABLISHMENT OF A UNDP OPEN TRUST FUND FOR
[PURPOSE OF OPEN TRUST FUND]/ CLOSED TRUST FUND BETWEEN
[NAME OF DONOR] AND UNDP**

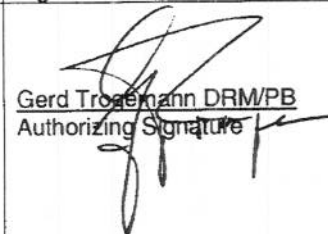
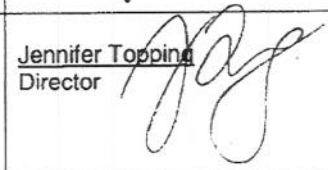

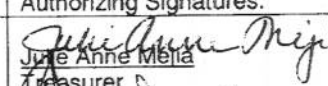
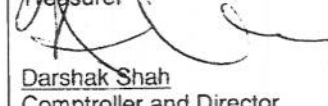
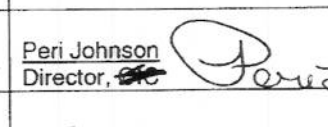
- **Trust Fund Title:** Korea – UNDP MDG Trust Fund
- **Designated Trust Fund Manager:** Partnerships Bureau (initially)
- **Rationale for setting up a Trust Fund :**

Strongly articulated wish of the donor to transform its past programme country relationship with UNDP into a full-fledged donor role, including gradually increased core resources over the period 2010 to 2015 and non-core support organized in a trust fund arrangement between the donor and UNDP. In addition, the current Country Office will be transformed into a UNDP Policy Centre in Seoul as of 2010.

- **Deviations and Issues of concern (if any):**

The TF agreement follows the standard template for closed TFs and agreements for existing TFs (such as Spain TF in RBLAC) in substance, though not always using the exact same language and sequence. References to the fact that all aspects of the fund will be managed in accordance with UNDP rules, regulations, policies and procedures are firmly anchored and reconfirmed several times.

*** Above information should be provided by the Bureau/Division/Unit identified in the section 1 below.*

Bureaus/Units	Signatures	Date
1. Bureau/Division/Unit: a) Agreement reviewed and conformity with UNDP's mandate verified b) Reporting requirement noted and accepted c) Implementing partner/ Executing entity acceptance of support cost arrangement confirmed d) Administrative cost arrangements confirmed e) Trust Fund Manager informed of his/her responsibilities as per attached document	 <u>Gerd Trogenmann DRM/PB</u> Authorizing Signature	14/09/09
2. Division for Resources Mobilization/PB a) General review of the agreement undertaken ✓ b) Conformity to general practice with donor confirmed ✓ c) Propriety of modality for intended contribution ensured ✓ d) Noting deviations from standard format and special issues noted as relevant ✓	 <u>Jennifer Topping</u> Director	15/09/09
3. Procurement Support Office/BOM - Clear Procurement policy issues. If needed and as appropriate: Office of Planning and Budget/BOM: - Clear non-standard administ. costs arrangements - Clear non-standard agency support costs arrangent.. Other BOM Units as appropriate:	 <u>Director</u> Authorizing Signatures: Authorizing Signatures:	05/10/09
4. Office of Finance and Administration/BOM: Treasury Division: - Clear banking and currency of contribution arrangements Office of the Comptroller: - Clear Financial reporting arrangements - Clear Conformity with UNDP financial regulations and rules - Clear Other financial policy issues, as appropriate	 <u>Julie Anne Melia</u> Treasurer  <u>Darshak Shah</u> Comptroller and Director	15/10/09
5. Legal Support Office/BOM -Clear legal issues	 <u>Peri Johnson</u> Director, cc	3 NOV '09
6. Through Operation Suport Group: Associate Administrator's Office or authorized representative	Associate Administrator	



**AGREEMENT FOR THE ESTABLISHMENT OF
THE KOREA-UNDP MDG TRUST FUND
BETWEEN THE GOVERNMENT OF THE REPUBLIC OF KOREA
AND THE UNITED NATIONS DEVELOPMENT PROGRAMME**

The Government of the Republic of Korea (hereinafter referred to as the "Government") and the United Nations Development Programme (hereinafter referred to as the "UNDP") (hereinafter jointly referred to as the "Parties");

Considering the critical importance of a strong partnership of all development actors to achieve the Millennium Development Goals (hereinafter referred to as "MDG");

Considering the critical role of multilateral cooperation and the United Nations development system in this context;

Considering the role UNDP has to play in supporting governments in their efforts to achieve these goals and in coordinating the operational activities of the United Nations development system;

Considering the importance the Government attaches to international development cooperation and the achievement of the MDG;

Considering that the Government and UNDP have agreed to strengthen mutual cooperation in reducing poverty and achieving sustainable development in developing countries by sharing Korea's economic and social development experiences;

Whereas the Government and UNDP have decided to enter into this Agreement in order to further strengthen their cooperation and partnership through the establishment of a Korea-UNDP MDG Trust Fund for programmatic, fund-based cooperation starting from the year 2010, under the Financial Regulations and Rules of UNDP.

Now the Parties wish to conclude the present Agreement for the purpose of setting out the terms and conditions concerning the provision and management for the Korea-UNDP MDG Trust Fund (hereinafter referred to as the "Fund").



THEREFORE, the Parties have reached the following Agreement:

Article 1

Purpose

The Parties have agreed that the UNDP Administrator shall establish the Fund with a view to supporting development cooperation activities in developing countries in priority areas such as poverty reduction, environment and climate change.

Article 2

Contribution

1. The Fund shall be financed from contributions by the Government on an annual basis.
2. The Government shall inform UNDP of the amount of its annual contribution prior to the start of each new fiscal year.
3. Financial resources contributed to the Fund will be managed by UNDP in accordance with its Financial Regulations and Rules, policies and procedures. If the contributions referred to in paragraph 1 above are not received after consultation with the Government, the assistance to be provided pursuant to this Agreement may be reduced, suspended or terminated by UNDP.
4. Any interest income derived from contributions to the Fund shall be credited to the Fund in accordance with the applicable UNDP Financial Regulations and Rules, policies and procedures.
5. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), the value of the balance of funds still held at that time will be adjusted



accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall submit to the Government on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government shall, to the greatest extent possible, endeavor to obtain the additional funds required. Should such further financing not be available after consultation with the Government, the assistance to be provided pursuant to this Agreement may be reduced, suspended or terminated by UNDP.

6. The Government shall deposit the contribution by wire transfer, in United States dollars, to the following account on the basis of the Government's financial regulations:

Bank Name	JP Morgan Chase: 270 Park Avenue, 43 rd Floor New York, NY, 10017
Account Name	UNDP Contributions Account
Account Number	015002284
SWIFT	CHASUS33
ABA Number	021000021

The Government will inform UNDP when a contribution is paid via an e-mail message with remittance information to contributions@undp.org.

7. All financial accounts and statements shall be expressed in United States dollars.

Article 3

Management of the Fund

1. The UNDP shall manage the Fund in accordance with UNDP Financial Regulations and Rules, policies and procedures.

2. A Steering Committee comprised of the representatives of the Government and UNDP



will be constituted to make all final decisions regarding the activities to be financed. Such decisions shall be made by consensus. The Steering Committee shall establish its Terms of Reference.

3. The Parties may establish detailed guidelines for the Steering Committee and administration of the Fund as they deem appropriate, subject to the provisions of this Agreement and its Terms of Reference.

4. The identification, preparation, appraisal and supervision of the programmes/projects under this Fund will be the sole responsibility of UNDP, and will be carried out by UNDP in accordance with UNDP's Financial Regulations and Rules, policies and procedures.

5. As appropriate and consistent with UNDP's Financial Regulations and Rules, policies and procedures, the Parties will encourage close consultation and information-sharing related to all activities financed or to be financed from the Fund between them at both country-level and headquarters.

6. UNDP shall designate a Fund Manager who will be responsible for the administration and follow-up actions corresponding to the Fund, including providing necessary reports for the monitoring of the activities.

Article 4

Administrative and Support Services

1. In accordance with the decisions and directives of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the contributions shall be subject to cost recovery for indirect costs incurred by UNDP headquarters and country office structures in providing General Management Support (GMS) services. To cover these GMS costs, the contributions shall be charged a fee equal to 7%. Furthermore, as long as they are unequivocally linked to the specific programmes/ projects, all direct costs of implementation, including the costs of executing entity/implementing partner, will be



identified in the programmes/ projects budget against a relevant budget line and borne by the programmes/ projects accordingly. All other direct administrative costs, such as those directly incurred by the functions and activities of the Steering Committee as stipulated in its Terms of Reference, will be charged to the Fund.

2. The aggregate of the amounts budgeted for the programmes/ projects, together with the estimated costs of reimbursement of related support services, shall not exceed the total resources available under this Agreement.

Article 5 Equipment

Ownership of equipment, supplies and other properties financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.

Article 6 Audit

All contributions shall be subject exclusively to the internal and external auditing procedures provided for in the Financial Regulations and Rules, policies and procedures of UNDP. Should the biennial Audit Report of the Board of Auditors of UNDP to its governing body contain observations relevant to the contributions, such information shall be made available to the Government.

Article 7 Reporting

1. Programme/project management and expenditures shall be governed by the Financial



Regulations and Rules, policies and procedures of UNDP and, where applicable, the regulations, rules and procedures of the executing entity/implementing partner.

2. The Administrator of UNDP shall report to the UNDP Executive Board on the activities of the Fund.

3. UNDP shall provide the Government with the following reports, prepared in accordance with UNDP accounting and reporting procedures:

3.1 A consolidated annual narrative and financial report on the Fund and all development activities financed from the Fund as of 31 December every year to be submitted no later than 30 June of the following year.

3.2 An annual certified financial statement on the Fund as of 31 December every year to be submitted no later than 30 June of the following year.

Article 8

Monitoring and Evaluation

1. Monitoring and evaluation of the programmes/projects under the Fund shall be undertaken in accordance with UNDP's Financial Regulations and Rules, policies and procedures.

2. The Steering Committee may commission, as needed, the undertaking of additional monitoring and evaluation, in accordance with UNDP's Financial Regulations and Rules, policies and procedures.

Article 9

Visibility



UNDP shall take all appropriate measures to publicise the fact that programmes/ projects have received funding from the Fund provided that such actions do not jeopardise the United Nations privileges and immunities provided under the 1946 Convention on the Privileges and Immunities of the United Nations and the safety and security of United Nations staff.

Article 10
Addresses/Communication

Unless otherwise specified in writing to the other Party, correspondence relating to the implementation of this Agreement will be addressed to the following:

(a) For the Government:

Ministry of Foreign Affairs and Trade
37 Sejongno Jongno-gu, Seoul 110-787
Republic of Korea
Fax : 82-2-732-5649

(b) For the UNDP:

United Nations Development Programme
One United Nations Plaza, New York, NY 10017
United States of America
Fax: 1-212-906-6577

Article 11
Other Matters

1. UNDP shall notify the Government when all activities of programmes/projects relating to the purpose for which the Fund was established have been completed.



2. Notwithstanding the completion of the programmes/ projects financed from the Fund, any unutilized balances shall continue to be held in the Fund account until all commitments and liabilities incurred in execution/implementation of the programmes/ projects have been satisfied and programme/ project activities have been brought to an orderly conclusion.

3. The Fund shall terminate upon completion of all programmes/projects identified pursuant to this Agreement and after satisfaction of all commitments and liabilities arising there from. Any balance then remaining shall be disposed of by the UNDP in consultation with the Government.

Article 12

Settlement of Disputes

Any dispute arising from or in connection with this Agreement, including the interpretation or application of any provision contained herein, shall be resolved amicably through consultations between the Parties.

Article 13

Amendment

This Agreement may be modified only by written consent between both Parties.

Article 14

Entry into Force and Termination

1. This Agreement shall enter into force upon signature by both Parties.
2. Either Party may terminate the Agreement by giving the other Party six (6) months' notice in writing.



This Agreement is hereby signed in two original copies at Seoul on 23rd November 2009,
in the English language.

A handwritten signature in black ink, appearing to be in Korean characters, is written over a horizontal line. The signature is stylized and cursive.

**FOR THE GOVERNMENT OF THE
REPUBLIC OF KOREA**

A handwritten signature in black ink, reading 'H.E. Charles', is written over a horizontal line. The signature is in a cursive, handwritten style.

**FOR THE UNITED NATIONS
DEVELOPMENT PROGRAMME**

KOREA-UNDP MDG TRUST FUND

Eligibility and Approval Guidelines

These guidelines are established pursuant to and in accordance with Article 3 of the 'Agreement for the Establishment of the Korea-UNDP MDG Trust Fund between the Government of the Republic of Korea and the United Nations Development Programme' (the Agreement).

These guidelines are established to guide the use of the Korea-UNDP MDG Trust Fund (the Fund) and to set out eligibility criteria and standard processes and procedures to apply for and obtain funding from the Fund. These guidelines may be reviewed and revised if and when Korea and UNDP deem it necessary.

The guidelines and any update or revision thereof are subject to the provisions of the aforementioned Agreement. The Fund and all its activities will be managed in accordance with UNDP programming policies and UNDP's Financial Regulations and Rules.

A. Purpose and Scope of the Fund

1. The Fund has been established to further strengthen the cooperation and partnership between Korea and UNDP through fund-based, programmatic cooperation.
2. In accordance with Article 1 of the Agreement the purpose of the Fund is to support development cooperation activities for the achievement of the Millennium Development Goals(MDGs)in developing countries in priority areas such as poverty reduction, environment and climate change.
3. Korea's commitment to these areas stems from its economic and development experience in them which can be of benefit to developing countries.
4. The Fund will focus on Least Developed Countries which are in need of greater assistance to reach the MDGs, with possibility of including Other Low Income Countries.

B. Project-Specific Eligibility Requirements

1. The Fund will give priority to country-specific development projects and programmes. Priority will be also given to the countries Korea has the development cooperation presence.
2. To be eligible, all projects and programmes have to be part of the United Nations Development Assistance Framework and the UNDP Country Programme.
3. The Fund will only support projects of one year duration or longer with a total budget of one million US dollars or more.
4. Through the Steering Committee of the Fund, Korea and UNDP may review and adjust these project-specific eligibility requirements, giving due consideration to the financial contributions to the Fund and experiences gained over time.

C. Call for Proposals and Approval Process

1. To apply for financing from the Fund, UNDP Country Offices are required to prepare brief, concise concept notes following a standard format which contains information as described in the Annex. Concept notes may be prepared and submitted in accordance with the process outlined in the call for proposals.
2. In preparing such concept notes, County Offices are encouraged to consult with the local Korean embassy or, where applicable, the local Korea International Cooperation Agency (KOICA) office, before finalizing and submitting the concept note to the respective Regional Bureau in the UNDP Headquarters.
3. Country Offices, in accordance with the call for proposals will be requested to submit their respective concept notes to the concerned Regional Bureaux for consideration.
4. The Regional Bureau will appraise and prioritize the concept notes from Country Offices and submit them to the Trust Fund manager in the Partnerships Bureau, who will review and shortlists the concept notes.
5. The Trust Fund Manager will consult with the Steering Committee members prior to requesting Country Offices to develop full project documents for consideration by the Steering Committee.

6. The Steering Committee at its annual meeting will review, prioritize and make all funding decisions based on the full project documents received.
 7. The Trust Fund manager will transmit decisions of the Steering Committee to the respective Regional Bureaux and Country Offices.
 8. As stipulated in the Agreement, the preparation, appraisal and supervision of the programmes and projects under this Fund will be the sole responsibility of UNDP, and will be carried out by UNDP in accordance with its Financial Regulations and Rules, policies and procedures.
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Concept Note Requirements

The concept note needs to be written in English and the text of the concept note should not exceed three (3) pages. The concept note should contain the following information:

1. Date of the submission of the concept note
2. Target country/countries
3. Title of the Project
4. Duration of the project
5. Situation analysis
 - A brief description of the problem or opportunity in relation to UNDAF, country programme funding gap, or other development needs of the country/countries
6. Project outline
 - Objectives with clear indication on thematic focus of the project
 - Direct and indirect target beneficiaries
 - Expected outputs, deliverables and activities
7. Management arrangements
8. Resources framework
 - Total budget required
 - Annual budget breakdown in relation to the proposed objectives, outputs and activities.

KOREA-UNDP MDG TRUST FUND

Terms of Reference of the Steering Committee

These Terms of Reference are established pursuant to Article 3 of the 'Agreement for the Establishment of the Korea-UNDP MDG Trust Fund between the Government of the Republic of Korea and the United Nations Development Programme' (the Agreement).

These Terms of Reference are established to provide organizational and procedural guidance for the Steering Committee of the Korea-UNDP MDG Trust Fund (the Fund). The Terms of Reference can be reviewed and revised if and when the Steering Committee deems it necessary.

The Terms of Reference and any update or revision thereof as well as the work and decisions of the Steering Committee are subject to the provisions of the aforementioned Agreement.

A. Role and Function of the Steering Committee

1. The Steering Committee provides overall leadership and direction of the Fund.
2. Specifically, the Steering Committee:
 - a) Makes all final decisions regarding the activities financed or to be financed by the Fund;
 - b) Reviews the concept notes, project documents and other documentation pertaining to activities financed or to be financed by the Fund;
 - c) Ensures conformity and quality of the concept notes, project documents, project reports and other documentation pertaining to activities financed or to be financed by the Fund;
 - d) Monitors the progress and tracks delivery of both individual activities financed by the Fund and the Fund as a whole;

- e) Commissions, as needed, the undertaking of additional monitoring and evaluation of Fund activities, in accordance with UNDP's Financial Regulations and Rules, policies and procedures and UNDP's evaluation policy; and
 - f) Continuously make efforts to improve the visibility of the Fund and the projects and programmes financed from the Fund in accordance with Article 9 of the Agreement establishing the Trust Fund.
3. All decisions of the Steering Committee shall be made by consensus.
 4. The co-chairs of the Steering Committee may request the Fund Manager to carry out or follow-up on its behalf any of the above functions, in collaboration with the respective UNDP units, as and when it deems necessary.

B. Composition of the Steering Committee

1. The Steering Committee is comprised of representatives of the Government of the Republic of Korea and UNDP. The Steering Committee may decide at any time to invite beneficiaries of the Fund to its meetings.
2. The Steering Committee will be co-chaired by the Director-General, Development Cooperation Bureau, Ministry of Foreign Affairs and Trade, the Republic of Korea and the Assistant Administrator and Director, Partnerships Bureau, UNDP. As may be required, the co-chairs may delegate their role to alternate co-chairs.
3. In addition, the co-chairs will nominate two representatives each for membership on the Steering Committee.
4. Members of the Steering Committee may vary subject to the agenda of and the expertise required for meetings of the Steering Committee and this shall be communicated between the Parties.
5. Additional participants at meetings of the Steering Committee, observers or technical experts may be invited at the discretion of the co-chairs, subject to the agenda of the meeting.
6. The Trust Fund manager is an ex-officio member of the Steering Committee.

C. Meetings of the Steering Committee

1. All meetings of the Steering Committee will be convened jointly by the co-chairs.
2. The Steering Committee meetings will be held in conjunction with the 'Korea-UNDP Annual Policy Consultations'.
3. Additional meetings based on the requirements of the Fund may be convened at the discretion of the co-chairs.
4. Members of the Steering Committee will continuously communicate via email and other means.
5. The agenda for meetings of the Steering Committee and all supporting documentation will be prepared and disseminated on a timely basis and at least two weeks ahead of the meeting by the Trust Fund manager on behalf of the co-chairs.
6. The agenda, proceedings and all decisions of the Steering Committee and its meetings will be duly recorded.

D. Role of the Trust Fund Manager in Support of the Steering Committee

1. The Trust Fund manager performs the function of secretary and ex-officio member of the Steering Committee.
2. The Trust Fund manager is a UNDP staff member based at UNDP headquarters in New York.
3. As the communication channel between UNDP and Korea, the Trust Fund Manager should fully understand the Fund related issues and closely consult with both UNDP and Korea.
4. In conformity with the provisions of the Agreement establishing the Trust Fund and in direct support to the co-chairs of the Steering Committee, the Trust Fund manager will:
 - a) Prepare the agenda and all supporting documentation for meetings of the Steering Committee for endorsement by the co-chairs;
 - b) Disseminate the agenda and all supporting documentation, once endorsed by the co-chairs, to all members and participants of the meeting of the Steering Committee;

- c) Prepare and circulate the minutes of all meetings of the Steering Committee for electronic approval by the co-chairs of Steering Committee;
- d) Monitor follow-up and implementation of decisions of the Steering Committee; and
- e) Report on the overall financial and operational status of the Fund at each regular meeting of the Steering Committee.

E. Costs and Financial Requirements

In accordance with Article 4 of the Agreement, direct administrative costs such as those directly incurred by the functions and activities of the Steering Committee will be charged to the Fund. Subject to the future scope of work and size of the Fund, Steering Committee may consider charging the costs pertaining to the Trust Fund manager as a direct cost to the Fund.