




UNDP/PROG/00/5  
30 October 2000

**To:** All UNDP Staff

**From:** Zéphirin Diabré,  
Associate Administrator 

**Subject:** Umbrella Trust Fund – UNDP/Sida

I am pleased to inform you of the newly established Umbrella Trust Fund agreement between UNDP and the Swedish International Development Cooperation Agency (Sida), effective 1 September 2000. This agreement covers all financial contributions by Sida to UNDP non-core resources, including all existing co-financing agreements between the two parties. The full text of the agreement is attached to this memorandum in annex 3.

The agreement has been negotiated with a view to improving the efficiency of the financial management of Sida non-core funding to UNDP. In addition, and very importantly, by bringing all Sida non-core within the framework of a single trust fund, it enables UNDP to decentralize the authority for concluding agreements with Sida while remaining within the trust fund environment that is necessary for Sida. Please note that this decentralized authority pertains **only** to Sida-funded trust fund agreements: trust funds with all other donors still need clearance by headquarters, in accordance with the procedures set out in the Associate Administrator's memorandum on decentralized authority to sign cost-sharing agreements dated 8 Oct. 1998

This memorandum highlights the key elements of the Umbrella Trust Fund agreement that affect the treatment of non-core funding provided by Sida. The **key changes** to the cooperation with Sida relate to:

1. Delegation of signature of agreements to the country office - Annex 1
2. Simplified standard trust fund format (Model Administration Agreement) - Annex 1
3. Early release of funds immediately after signature (financial management) - Annex 2

The Bureau of Management has a designated Trust Fund Manager for the Umbrella Trust Fund, whose terms of reference are in line with those outlined in the Associate Administrator's memorandum dated 7 January 1999 and include responsibility for the overall financial management of the Fund and financial reporting to the donor. This arrangement does not in any way affect the accountability of the country offices and substantive units participating in non-core relationships with Sida for the appropriate financial management and substantive reporting to the donor at the project level. Queries relating Only to financial aspects of the relationship with Sida should be directed to the Trust Fund Manager. The responsibility for the institutional relationship both with Sida, and more broadly with the Government of Sweden, remains with the Division for Resources Mobilization, Bureau for Resources and Strategic Partnerships.

I am confident that this new arrangement will enhance the effectiveness of your resource mobilization efforts in the field.

## Annex 1

### **1. Trust Fund Manager**

Mr. Leon Thomas of the Bureau of Management has been designated as the Trust Fund Manager. All disbursement request and queries regarding available resources should be directed to the attention of the Trust Fund Manager who can be reached at [leon.thomas@undp.org](mailto:leon.thomas@undp.org) and by telephone on extension 6447.

All other issues pertaining to the relationship with Sida and/or the Government of Sweden should be directed to the Division for Resources Mobilization, Bureau for Resources and Strategic Partnerships.

### **2. Signature of agreements**

As a result of the agreement between UNDP and Sida, all programme/projects funded by Sida shall fall under the auspices of the new Umbrella Trust Fund. This arrangement permits UNDP to decentralize all cosponsoring agreements entered into between the parties to be **signed locally** without prior headquarters clearance when the model administration agreement is used. This is a major shift from the previous procedure, whereby all trust fund agreements had to be cleared at headquarters and signed by the Associate Administrator. When an Administration Agreement has been signed locally, Sida and the Trust Fund Manager each receive a signed original. The country office should also provide a copy of the signed agreement to the Contributions Unit of the Comptrollers Division, the Regional Bureau and the Division for Resources Mobilization. Please note that this decentralized authority **pertains only** to Sida-funded Trust Fund agreements; the trust funds with all other donors still need clearance at headquarters.

### **3. Simplified standard project trust fund format**

Annex 1 of the Umbrella Trust Fund contains the new **standard trust fund format (Model Administration Agreement)** required to be used for non-core agreements with Sida. It replaces the prior format used for Sida and is used in lieu of UNDP's own model trust fund agreement.

The Administration Agreement requires the following specifications:

- (a) Trust fund modality;
- (b) The UNDP project number and the Sida reference number;
- (c) The amount in Swedish kronor as well as a schedule of payments for the entire commitment;
- (d) The reporting requirements;
- (e) The administrative and operational support costs (AOS), if any;
- (f) The UNDP administrative costs, between 3 and 5 per cent;
- (g) The identification of representatives of the parties.

(a) **Modality**. All UNDP programmes/projects funded by Sida are funded under the trust fund modality. As mentioned above, clearance from headquarters is no longer necessary, provided that the standard Model Administration Agreement is used and there are no wider policy or other issues at stake. In addition, amendments to previously negotiated agreements may also be signed locally and be subsumed under the new umbrella agreement by using the standard Model Administration Agreement.

(b) **UNDP project number and the Sida reference number**. Both the UNDP project number and the Sida reference number must be stated in the Administration Agreement and must be used in all correspondence on the project.

(c) **Commitment**. All contributions will be in Swedish kronor. The equivalent dollar amount is calculated at the time of receipt on the basis of the prevailing United Nations official rate of exchange.

(d) **Reporting requirements**. The Umbrella Trust Fund stipulates the following reporting requirements to be incorporated into the **annual work plan** for each programme/project financed by the Trust Fund:

(i) **Narrative reporting**

A **yearly report** on the results obtained by each programme/project. The periodicity of reports required should be specified explicitly in the Administration Agreement but annual reporting is agreed upon as the basis. Note: it is essential to adhere to the **reporting schedule** agreed upon;

A **final narrative project report** for each programme/project covering all important aspects of the programme/project and how the Swedish contribution was utilized upon operational completion of each programme/project.

(ii) **Financial reporting**

A cash requirement schedule in respect of each programme/project is to be submitted by UNDP headquarters/BOM annually through the Trust Fund Manager.

A certified financial statement covering the entirety of the Umbrella Trust Fund will be sent officially by the Comptroller of UNDP to Sida on an annual basis (end June). This document will constitute the only official financial data provided to Sida. (Refer 14 July 2000 memorandum).

A final financial statement, certified as provided above, will be provided by the Comptroller to Sida upon financial completion of each programme/project.

In the event that country offices provide interim financial data to Sida representatives locally, it should be clearly indicated that such data are provisional.

- (e) **Administrative and operational support cost (AOS)** The details relating to support costs regarding each programme/project must be included in the administration agreement.
- (f) **UNDP Administrative costs** The percentage of administrative cost must be specified in the administrative agreement. It has been agreed that this cost will in principle range between **3 and 5 per cent**. Note should be taken that the combined cost for (e) and (f) above shall not exceed **13 per cent** and is inclusive of the total Sida commitment.
- (g) **Identification of representatives of the Parties** To improve and facilitate communication between UNDP and Sida, the representatives from each party responsible for the coordination of all matters relating to each individual Administration Agreement should be identified by name in the Administration Agreement. It is understood that in principle, the Resident Representative or the Division Director at headquarters would sign as representatives of UNDP.

## Annex 2

### **1. Immediate release of funds upon signature - Financial management**

One of the key changes in the relationship is the possibility that funds will be provided immediately upon signature of the Administration Agreement. By consolidating all of Sida's funding into one account under the Umbrella Trust Fund, UNDP can now use the existing liquidity of the overall portfolio to effect immediate release of funds.

#### **Documentation required by the Trust Fund Manager**

- Fully signed original copy of the Administration Agreement. (A model format is attached.)
- A copy of the programme or project budget.
- Actual expenditures as at 30 June of the current period and estimates of planned disbursements for the subsequent 15 months. Estimated expenditures for July to September of the current year (three months) and for the following 12-month period of October through September must be submitted annually by 31 July. (A sample format is attached.)
- Details of budget revisions and any modifications or changes in planned disbursements.

#### **Funding/Authorizations**

- The Trust Fund Manager will issue the disbursement authorization to the country office or programme units upon receipt of the signed original Administration Agreement provided that the amount requested is within the level of the global Trust Fund resource balance.
- Disbursement authorizations will be provided through authenticated electronic medium. In accordance with new UNDP e-mail security procedures, the Trust Fund Manager will digitally sign authorizations.
- The Trust Fund Manager will prepare and submit all funding requests on a global basis to Sida on or before 30 September each year.
- The requests will cover 6 months of actual and 15 months of planned disbursements for each programme/project.
- The Trust Fund Manager should be informed of any emergency and/or exceptional situation that may arise and which may affect the implementation of programmes/projects.

### Other important issues

- Effective 1 September 2000, all interest income accrued on trust fund resources shall be refunded to Sida and will not be available for the financing of programme or project activities.
- Sida will finance only the costs of activities carried out during the specific period agreed upon in the Administration Agreement. Note should be taken that such financing will be limited to obligations incurred during this period for amounts within the overall approved budget. In addition, all outstanding obligations must be liquidated within six months after said period since the contribution will no longer be available for disbursement after such time.
- To the extent possible, all disbursement requests and expenditure information should be provided through the electronic medium.

## **UNDP/Sida Trust Fund for Assistance to UNDP**

### **Article 1 The Parties**

The Parties to this agreement are the Government of Sweden (hereafter referred to as "Sweden"), through the Swedish International Development Cooperation Agency (hereafter referred to as "Sida"), and the United Nations Development Programme (hereafter referred to as "UNDP").

### **Article 2 Trust Fund and its activities**

UNDP shall establish a trust fund named "UNDP/Sida Trust Fund for Assistance to UNDP Specific Activities" (hereafter referred to as "the Trust Fund") which will be administered in accordance with UNDP Financial Regulations and Rules. The Trust Fund is intended to support the implementation of various programmes/projects initiated by UNDP. All Sida contributions to specific programmes/projects will be channeled through this Trust Fund. Sida shall authorize the financing of each specific programme/project by the Trust Fund, and the maximum amount to be provided by Sida for the programme/project, through an Administration Agreement with UNDP. Both Parties will sign this Administration Agreement, thereby indicating their concurrence with the terms of the project. A sample Administration Agreement is provided in Annex I.

### **Article 3 Applicability**

This Trust Fund Agreement shall apply to ongoing projects as well as to any programme/project that may be approved for financing by Sida in the future. Therefore, all ongoing co-financing, cost sharing and trust funds financed by Sida, shall be subsumed under the Trust Fund.

### **Article 4 Trust Fund Management**

UNDP will establish a separate bank account to receive Sida contributions to the Trust Fund. UNDP will also designate a Trust Fund manager. The terms of reference of Trust Fund manager will pertain mainly to the financial aspects of the Trust Fund (managing the available resources, advancing monies for the execution of the various projects financed by the Trust Fund, preventing deficit issues and financial reporting to Sida).



## **Article 5 Contributions to the Trust Fund**

The Trust Fund shall be reserved exclusively for the purpose of receiving contributions from Sida. The contributions shall be made in Swedish kronor and will be based on amounts authorized in accordance with Article 3 of this Agreement. These contributions are subject to yearly Swedish parliamentary appropriation of funds. Sida shall notify UNDP of any reduction of the contribution resulting from parliamentary appropriation of funds. Sida shall provide such notification to UNDP three months in advance of the date on which the said reductions would take effect.

## **Article 6 Conditions for the utilization of the Swedish contributions**

1. UNDP shall prepare programme/project documents in accordance with its regulations, rules and procedures for submission to Sida through the existing channels. UNDP, upon approval by Sida of the programme/project proposals in accordance with Article 3 above, shall prepare a specific budget for the Swedish participation and assign a specific project number to the programme/project.
2. The total amount of funds disbursed by Sida to the Trust Fund shall be used for all programmes/projects for which Administration Agreements have been signed in order to enable project activities to start upon signature of the agreements. The funds shall be used in accordance with the programme/project documents.
3. Any balance remaining unspent upon completion of the activities under an Administration Agreement shall be refunded to Sida, taking into account the need to retain an overall minimum Trust Fund balance of US\$2 million in accordance with Article 10 of this Agreement.
4. Sida reserves the right to cease funding an activity if UNDP does not meet its obligations under this Agreement; or if the funds are not being used or have not been used for the implementation of the programmes/projects as agreed. Should Sida consider any such action, Sida shall consult with UNDP in advance of action being taken. In the event that Sida ceases funding for a specific programme/project, UNDP reserves the right to suspend any and all activities under the specific programme/project. The Parties shall immediately consult with a view to resolving the matter and resuming funding. In the event that the Parties fail to agree on the resumption of funding within thirty (30) days after the date on which funding ceased, UNDP reserves the right to terminate forthwith the Administration Agreement for the project. In the event of termination of an Administration Agreement by Sida, UNDP shall not be obliged to repay any funds irrevocably committed in good faith through an Administration Agreement before the date of notice of termination.

## **Article 7 Cost Recovery**

1. In accordance with decisions of the Executive Board of UNDP, a portion of the Swedish contribution may be used by UNDP to cover support costs in connection with specific programmes/projects. These support costs include:

(a) Administrative and operational support costs, if any, paid to the executing and implementing entities;

(b) Costs incurred by UNDP in providing administration and handling services to the Trust Fund and its activities;

2. The level of support costs charged for item (b) above shall normally be between 3 per cent and 5 per cent. The total support cost for items (a) and (b) above shall not exceed 13 per cent of the total Sida contribution.

3. The details relating to support cost regarding each programme/project shall be set out in the Administration Agreement.

## **Article 8 Procurement**

1. In connection with the programmes/projects, procurement of goods and services shall be carried out in accordance with the regulations, rules and procedures of UNDP, including international competitive bidding when relevant.

2. Swedish suppliers of goods and services shall be given the same opportunities to participate in the bidding as other suppliers. Local and regional suppliers of goods and services shall be encouraged to submit tenders.

## **Article 9 Administration**

1. UNDP shall administer the Trust Fund activities and programmes funded hereunder in accordance with its regulations and rules.

2. Interest income accrued on Trust Fund resources shall be accounted for separately in accordance with UNDP regulations, rules and procedures and shall be refunded to Sida on an annual basis on or before 30 June.

3. UNDP shall record in the Trust Fund accounts the value of the Swedish contribution in United States dollars at the United Nations operational rate of exchange prevailing at the time of receipt of the contribution. Any gain or loss materialized from the sale of the Swedish kronor shall be reflected against the resources of the Trust Fund.

## Article 10 Disbursements

1. UNDP shall make a request for disbursements on or before 30 September each year. The request shall be made in Swedish kronor and calculated in accordance with the prevailing United Nations operational rate of exchange and in accordance with format attached to this Agreement as Annex II. Sida shall make disbursements in four installments per year. These disbursements by Sida shall be deposited in the bank account to be established in accordance with Article 5 of this Agreement (The new banking information will be communicated to Sida).
2. The request for disbursement will be based on actual and estimated expenditures, and will also take into account the overall resources available at the Trust Fund level. Sida reserves the right to modify or postpone payment of the requested amount following consultation with UNDP. If contributions are not received, UNDP reserves the right to reduce, suspend or terminate its support to affected programme(s)/project(s).
3. The balance of resources of the global Trust Fund is not to fall below US\$2 million. If the balance of resources falls below this limit, and existing resources are insufficient to finance the costs of ongoing, new or amended projects/programmes, UNDP has the right to send an amended disbursement request to Sida. Alternatively, or in addition, UNDP has the right to ask for an immediate disbursement of the next installment.

## Article 11 Reporting and Information

1. UNDP shall maintain proper financial records in accordance with its Financial Regulations and Rules. UNDP shall maintain separate records in respect of the Trust Fund accounts.
2. For each programme/project, UNDP shall provide Sida with:
  - (a) An annual work plan for each programme/project financed by the Trust Fund;
  - (b) Substantive reports:
    - (i) A yearly report on the results obtained by each programme/project. These reports shall be analytical in approach and include a presentation of progress made in the implementation of programmes/projects towards the achievement of results. The report shall include information regarding the utilization of resource towards the achievement of results in accordance with the latest budget revision;
    - (ii) A final narrative project report for each programme/project covering all important aspects of the utilization of the Swedish

contribution. The report shall cover the whole project, also components that are not funded by Sida. It shall also consider the fulfillment of the agreed objectives of the programme/project, and shall include information regarding the utilization of resources towards the achievement of results in accordance with the latest budget revision. This report shall be delivered within six (6) months after the operational completion of the programme/project as specified in each Administration Agreement;

(c) Financial reports:

(i) An annual financial statement certified by the Comptroller of UNDP or his/her designate. The certified financial reports as of 31 December shall be submitted no later than 30 June of the subsequent year;

(ii) A final financial statement, certified as provided in (i) above upon financial completion of each programme/project. It is understood that the programme/project shall be financially completed within twelve months after the operational completion of the programme/project as specified in the Administration Agreement;

(iii) A cash requirement schedule in respect of each programme/project in accordance with the model attached to this Agreement as Annex III.

(d) Any information or report that the Parties may agree upon in the Administration Agreement regarding a specific programme/ project.

(e) Due notification of any evaluation missions during and at the completion of a programme/project. Sida shall be invited to participate in such evaluation missions. The costs for the Swedish participation shall be borne by Sida.

3. For the Trust Fund, UNDP shall provide Sida with:

An annual report on aggregate income, expenditures, assets, liabilities and balance of resources as of 31 December. This report shall include the interest income as well as the refunds to Sida and shall be submitted on or before 30 June of the subsequent year.

4. UNDP shall give all information on the use of the resources provided by Sida that Sida may reasonably request. In addition to the information contained in the reports, UNDP shall, as far as it is within its power, and being mindful of the provisions in paragraph 1 of Article 9, and Article 12 of this Agreement, enable representatives of Sida to visit and study the various activities of relevance for Sida's follow-up of its contributions and the impact of programmes/projects.

**Article 12 Audit**

The Trust Fund shall be subject exclusively to the internal and external auditing procedures as provided for in UNDP Financial Regulations, Rules and directives.

**Article 13 Representatives of the Parties**

1. The Director of Finance of Sida, or his/her designated representative, shall represent Sida in matters concerning the implementation of this Agreement and the overall administration of the Trust Fund, and shall be the recipient of documents submitted by UNDP to Sida pursuant to this Agreement. For matters relating to individual programmes/projects to be financed by Sida under the Trust Fund, the official named in the Administration Agreement shall represent Sida and be the recipient of documents.

2. The Associate Administrator, or his/her designated representative, shall represent UNDP in matters concerning the implementation of this Agreement and the overall administration of the Trust Fund, and shall be the recipient of documents submitted by Sida to UNDP pursuant to this Agreement. For matters relating to individual programmes/projects to be financed by Sida under the Trust Fund, the official named in the Administration Agreement shall represent UNDP and be the recipient of documents.

**Article 14 Publicizing the Agreement**

Sida and UNDP, respectively, shall ensure that the content of this Agreement is widely publicized within each organization.

**Article 15 Entry into force and termination**

1. Sida and UNDP shall meet when needed to review the function of the Trust Fund. An assessment of this Trust Fund shall be made not later than 2002.

2. This Agreement shall enter into force on the first of September 2000 and shall remain valid unless terminated by either of the Parties giving three months' written notice to the other Party.

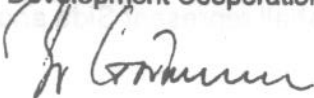
3. As of the date of entry into force of this Agreement, all balances remaining under earlier trust funds between Sida and UNDP, shall be transferred to the Trust Fund established under this Agreement.

4. In the event of termination by Sida of this Agreement, UNDP shall not be obliged to repay any funds irrevocably committed in good faith by UNDP through an Administration Agreement before the date of notice of

termination. If the funds prove insufficient to meet such commitments, UNDP will notify and consult with Sida on the manner in which such commitments may be satisfied.

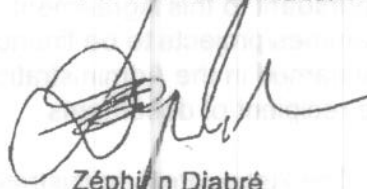
Two originals of the text of this Agreement, written in the English language, have been signed by the Parties.

For the Swedish International  
Development Programme  
Development Cooperation Agency



Bo Göransson  
Director General

For the United Nations



Zéphirin Diabré  
Associate Administrator

Date:

Date:



1. Pursuant to the Agreement regarding the UNDP/Sida Trust Fund for Assistance to UNDP concluded between the Government of Sweden ("Sida") and the United Nations Development Programme ("UNDP") on \_\_\_\_\_ (the "Trust Fund Agreement"), I am pleased to inform you of the intention of Sida to make available a contribution (the "Contribution") of [Swedish kronor (SEK)] to be administered by UNDP for the <sup>1</sup>(Trust Fund No. \_\_\_\_\_ Sida Dnr)<sup>2</sup>. The terms of the Trust Fund Agreement shall apply to the Contribution. UNDP shall administer the Contribution in accordance with the provisions of the Trust Fund Agreement, except as otherwise provided herein.

2. The objectives of the project/programme are<sup>3</sup>.

3. Out of the contribution, X per cent may be used as support costs in accordance with Article 7 (a), and X per cent as support costs in accordance with Article 7 (b) .

4. The funds are estimated to be utilized according to the following schedule:

_____	200
_____	200
_____	200

5. The specific period during which the activities shall be undertaken is from \_\_\_\_ to \_\_\_\_<sup>4</sup>. Only costs for activities carried out during this period may be financed from the Swedish Contribution. After six months from that latter date, the contribution shall not be available for disbursement. The Contribution shall be used exclusively for the purposes of the programme/project for which they are intended and in accordance with the programme/project document, attached as Annex<sup>5</sup> to this Administration Agreement, and in accordance with the specific budget for the Swedish participation, attached as Annex<sup>6</sup>.

6. UNDP shall provide Sida with reports and information as provided in the Trust Fund Agreement. In addition hereto UNDP shall provide Sida with<sup>7</sup>

7. The officers responsible for coordination of all matters related to this Administration Agreement are:

<sup>1</sup> Insert name of programme/project

<sup>2</sup> Insert Trust Fund Number (to be supplied by UNDP) and Sida's Dnr.

<sup>3</sup> Specify the objectives of the programme/project

<sup>4</sup> Insert dates for commencement and operational completion of the programme/project

<sup>5</sup> If applicable, enclose the project document agreed upon.

<sup>6</sup> If applicable, enclose the specific budget approved upon

<sup>7</sup> Insert any additional reporting which have been agreed upon. A frequent request is a semiannually Expenditure report showing expenditures for the project.

For Sida

For UNDP

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

8. UNDP shall inform Sida of any significant deviation from agreed plans and budgets. Sida may at any time withhold disbursement if major deviations occur.

8. Sida and UNDP shall meet every \_\_\_\_\_<sup>8</sup> to plan and review the progress of ongoing activities of the programme/project.

10. This Administration Agreement shall enter into force (state date) and remain valid until (state date) unless terminated earlier by either of the Parties giving three months' written notice to the other.

11. I would like to propose that this letter shall, upon your confirmation and agreement below, constitute an agreement between Sida and UNDP.

Sincerely yours,

\_\_\_\_\_  
Swedish International Development  
Cooperation Agency<sup>9</sup>

Confirmed and agreed

United Nations Development Programme

\_\_\_\_\_  
Authorized Representative,

Date: \_\_\_\_\_

<sup>8</sup> If applicable insert when Sida and UNDP shall meet – yearly, semi-annually etc.

<sup>9</sup> Clarification of signature and date shall complete the signature of Sida's representative as well as UNDP's representative



**Interoffice Memorandum**

**To:** All Resident Representatives/Resident Coordinators **Date:** 4 September, 2001

**From:** Leon W. Thomas **Extension:** 6447  
Manager, Sida Trust Fund

**Subject:** UNDP/Sida - Umbrella Trust Fund **File:** UNDP/Sida General

Further to Mr. Diabre's memorandum UNDP/PROG/00/5 of 30 October 2000 to All UNDP Staff and various communications on the above subject, it has become apparent that there is still a need to further clarify the procedures established for the administration of the Fund.

As highlighted in Mr. Diabre's memorandum, the key elements of the agreement that affect the treatment of non-core funding provided by Sida relate to:

1. Delegation of signature of agreements to the country office
2. Simplified standard trust fund format (Model Administration Agreement)
3. Early release of funds immediately after signature (financial management).

In addition, please be reminded that effective 30 September 2000, Sida can no longer enter into Cost Sharing Arrangements with UNDP. This is a Sida requirement which UNDP senior management has fully endorsed. Unfortunately however, we have continued to receive many queries on these issues.

However, we remain confident that this new arrangement will enhance the effectiveness of your resource mobilization efforts in the country offices. In order to assist with these efforts, we would greatly appreciate if you could share these instructions with your programme and operations managers.

**Documentation:**

The Model Administration Agreement can be downloaded from the UNDP INTRANET Strategic Partnerships web site by selecting Resources Mobilization followed by clicking on Tools and information under Standard agreements to download. Please note that the agreement is available in both PDF and MS Word 97 Format.

Once the format is selected, the additional information unique to the specific arrangement must be inserted. The UN ref: number should be the same as the Trust Fund No. which must include the following: CTY/YY/UXX/JA. The "U" and the "JA" represents codes assigned by the Comptrollers Section for the fund manager's identifier and the source of funds code respectively. It is imperative that these codes are consistently used in order for UNDP to comply with the global reporting requirements of the agreement.

Sida's representative should provide the Sida reference number. This information is also quite important as it enables Sida to effectively track the various approvals and commitments made to UNDP projects and programmes and facilitates the overall financial management of the fund.

After the Administration Agreement has been signed, Sida and the Trust Fund Manager must each receive a signed original. However, in order to expedite implementation, an initial faxed copy would suffice pending receipt of the original. The copy should be faxed to my attention at (212) 906-6786 and the original mailed to UNDP HQ, DC1, Room 1754. Upon receipt of this information, the fund manager would provide the required disbursement authorization based on the available resource balance of the fund. Please be reminded that disbursement authorizations **cannot** be provided without either of the above documents since there would be no legal basis for such action.

**Funding:**

All requests for funding from Sida must be made through the fund manager. Please note that the value of the Swedish commitment in United States dollars to be recorded in UNDP's accounts would be determined by applying the UN operational rate of exchange prevailing on the date Sida's representative signs the agreement. However, due to fluctuations in exchange rates the value of the Swedish contribution in United States dollars may differ from the commitment value at the time disbursement authorizations are provided, thereby, necessitating revisions to the approved budgets. We are currently in discussions with Sida's representatives on this issue and would provide additional instructions at the conclusion of such discussions.

Thank you for your most urgent attention to this request and please do not hesitate to contact me if you need any further clarification on these instructions.