

Sida ref: 2005-000620
 Component: 0# 7300062901
 UN ref:

Annex 1

ADMINISTRATION AGREEMENT

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 first of September 2000, (the "Trust Fund Agreement"), I am pleased to inform you of the intention of Sida to make available a contribution (the "Contribution") of Thirty Million Swedish kronor (SEK 30 000 000) to be administered by UNDP for the Human Development Initiative in Burma (Trust Fund No. , Sida Dnr 2005-000620, Component 0#). 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 to provide poverty alleviation assistance to the vulnerable population in Myanmar through community-based interventions.
3. Out of the contribution, 3 per cent may be used as support costs in accordance with Article 7 (a), and 5 per cent as support costs in accordance with Article 7 (b) of the Trust Fund Agreement.
4. The funds are estimated to be utilized according to the following schedule:

SEK 5,000,000	July 2005
SEK 10,000,000	January 2006
SEK 15,000,000	January 2007
5. The specific period during which the activities shall be undertaken is from July 2005 to June 2008. 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 for which they are intended and in accordance with the programme document, attached as Annex 1 to this Administration Agreement.
6. UNDP shall provide Sida with reports and information as provided in the Trust Fund Agreement.
7. The officers responsible for coordination of all matters related to this Administration Agreement are:

* Award No. 00040499

** Project No. 00045837

** 7300062901

For Sida

Address: SE-105 25 Stockholm, Sweden
 Dept/Unit: NATUR/LUV
 Responsible Officer: Ola Moller
 Telephone: + 46 (0)8 698 5702
 Fax: + 46 (0)8 698 5653
 E-mail: ola.moller@sida.se

For UNDP

Address: No. 6, Natmauk Road, Yangon, Myanmar
 Dept/Unit: Operations Unit
 Responsible Officer: Mr. Shahrokh Mohammadi
 Telephone: 95-1-542910/19
 Fax: 95-1-545634/544531
 E-mail: shahrokh.mohammadi@undp.org

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.
9. Sida and UNDP shall have annual consultations to plan and review the progress of ongoing activities of the programme/project.
10. This Administration Agreement shall enter into force 1 July 2005 and remain valid until 31 December 2008 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.

Stockholm
 Place and date

Signature

Mari Albin

Signature

Mari Albin

Head, Rural Development Unit

Department for Natural Resources
 and the Environment,
 Swedish International Development
 Cooperation Agency

Confirmed and agreed:

Yangon
 Place and date

Signature

Charles Petrie

Signature

Charles Petrie, Resident Representative

United Nations Development
 Programme, Myanmar

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 instalment.

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 II B.
- (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 Cooperation Agency For the United Nations Development Programme

Bo Göransson
Director General

Zéphirin Diabré
Associate Administrator

Date:

Date:

**Report to Sida
Cash Requirement****US Dollars** **SEK**

1. Closing balance of resources 31 December 1999:
2. Contributions received in 2000 (current year):
3. Actual expenditures 1 January - 30 June 2000:
4. Estimated expenditures 1 July 2000 - 30 September 2000:
5. Estimated closing balance as per 30 September 2000 (1+2-3-4):
6. Estimated expenditure 1 October 2000 - 30 September 2001
(refer to expenditure report attached):
7. Cash requirement for the year 1 October 2000 - 30 september 2001 (6-5):

