



Serbia

Date: 1 June 2010

To: Mr. Bisrat Aklilu
Executive Coordinator, MDTF Office
828 Second Avenue, 4th Floor, New York, NY, 10017 USA

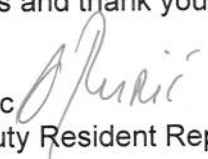
From: Olivera Puric
UNDP Deputy Resident Representative a.i.
Serbia

Subject: Signed Delegation of Authority: Administrative Agent Functions for pass-through fund management – for the project "Joint Programme Strengthening Capacity for Inclusive Local Development in South Serbia"

Dear Mr. Aklilu,

In reference to the request from Mr. William Infante, UNDP Serbia Resident Representative, dated May 17th 2010, I am pleased to send you duly signed Delegation of Authority for the exercise of the Administrative Agent functions for the Joint Programme "Strengthening Capacity for Inclusive Local Development in South Serbia" for your signature.

Best regards and thank you for your kind co-operation.

Olivera Puric 
UNDP Deputy Resident Representative a.i.
Serbia

17 May 2010

Dear Ms. Puric,

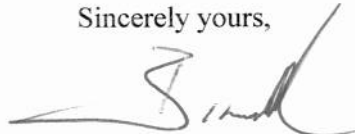
Subject: Joint Programme “Strengthening Capacity for Inclusive Local Development in South Serbia”: Delegation of Authority for the exercise of the Administrative Agent Functions

In reference to the correspondence on Joint Programme “Strengthening Capacity for Inclusive Local Development in South Serbia”, I am pleased to enclose the Delegation of Authority (DOA) document and its annexes. Upon your signature, the Delegation of Authority will enable you to exercise the relevant Administrative Agent’s (AA) functions for Joint Programme “Joint Programme Strengthening Capacity for Inclusive Local Development in South Serbia”

I am sending to you two originals of this document. Please sign the originals and return one original to the MDTF Office.

The MDTF Office looks forward to assisting you in the implementation of the delegated AA functions for this Joint Programme.

Sincerely yours,



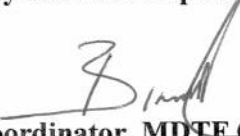
Bisrat Aklilu
Executive Coordinator

Ms. Olivera Puric
UNDP Deputy Resident Representative a.i.
Serbia

Encl: Delegation of Authority: Administrative Agent functions for pass-through fund management of the Joint Programme “Strengthening Capacity for Inclusive Local Development in South Serbia”

Date: 17 May 2010

To: Ms. Olivera Puric
UNDP Deputy Resident Representative a. i.
Serbia

From: Bisrat Aklilu 
Executive Coordinator, MDTF Office

Subject: Delegation of Authority: Administrative Agent functions for pass-through fund management of the “Joint Programme Strengthening Capacity for Inclusive Local Development in South Serbia”

1. This delegation of authority to you, in your capacity as **UNDP Deputy Resident Representative a. i., Serbia**, is to enable you to exercise the relevant Administrative Agent (AA) functions as described herein, for “**Joint Programme Strengthening Capacity for Inclusive Local Development in South Serbia**” (the “Joint Programme”) further to the principal AA functions outlined in the UNDG-approved “Protocol on the AA for MDTFs, JPs and One UN Funds”, the UNDP/MDTF Accountability Framework and the associated oversight arrangements detailed below.

I. Background

2. When UNDP is selected as the AA by Participating UN Organizations of Joint Programmes (JPs), using the pass-through fund management modality, the accountability for UNDP’s functions as AA has been delegated to the Executive Coordinator of the MDTF Office, reporting to the Assistant Administrator and Director of the Bureau of Management, in accordance with the policy note issued by the Administrator on 27 June 2007 “*UNDP’s Accountability when acting as Administrative Agent in MDTFs and/or UN Joint Programmes using the pass-through fund management modality*” (“UNDP/MDTF Accountability Framework”), which is contained in the Programme and Operations Policies and Procedures (POPP) available at <http://content.undp.org/go/userguide/finance/financial-management-and-execution-modalities/joint-programming/joint-programming.en>

3. Principal functions of the AA, under delegated authority, under a Joint Programme, include the following:

- Review copy of the Joint Programme document that will be signed by all the Participating UN Organizations and respective Government to ensure the fund management and reporting arrangements are consistent with the provision of the MOU and SAA
- Conclude the standard UNDG-approved Memoranda of Understanding (MOUs) with two or more Participating UN Organizations;

- Conclude the UNDG-approved Standard Administrative Arrangements (SAAs) with donors;
- Notify the MDTF Office immediately on funds to be disbursed to Participating UN Organizations as per Joint Programme document duly signed by all the Participating UN Organizations and duly signed Fund Transfer Request(s);
- Report to the Joint Programme Steering Committee, Participating UN Organizations, and donors on the sources and uses of donor contributions received;
- Consolidate periodic narrative and financial progress reports from Participating UN Organizations for submission to the Joint Programme Steering Committee and/or Participating UN Organizations for review and approval and submission thereafter to donors;

As UNDP is the appointed AA and also a Participating UN Organization, a clear delineation, including distinct reporting lines and accountability framework, will need to be established and maintained within the UNDP Country Office between its delegated functions as an AA and its functions as a Participating UN Organization. This delineation should in particular be maintained in JP Steering Committee meetings and communications with Participating UN Organizations (including UNDP).

II. Enabling Authority

4. While accountability for UNDP's Administrative Agent function rests with the Executive Coordinator of the MDTF Office, specific tasks related to the Administrative Agent role will be performed to the extent possible by UNDP Country Offices with explicit delegation from the Executive Coordinator MDTF Office. Such delegations shall include details regarding how the Executive Coordinator of the MDTF Office will provide oversight of the delegated functions.

III. Delegated Authority

5. To this end, I, in my capacity as Executive Coordinator of the MDTF Office, authorize you, in your capacity as **UNDP Deputy Resident Representative a. i., Serbia** to undertake the AA functions specified in this document. Such delegation is personal to you as **UNDP Deputy Resident Representative a. i., Serbia** and not by the virtue of your office. As specified below, while you may further delegate this authority, except as otherwise specified, to appropriate authorized staff of the **Serbia** Country Office, you remain ultimately accountable and responsible for any action taken by the person(s) to whom you further delegate. For purposes of communication and coordination, please provide the MDTF Office with relevant contact details of the staff to whom you have sub-delegated AA functions in this document.

6. As part of its retained functions and of its oversight role, the MDTF Office will maintain regular contact with you and the **Serbia** County Office and may undertake periodic monitoring field visits. Additional support provided by the MDTF Office includes advice and training to Country Offices in the establishment, ongoing administration and closure of the Joint Programme, interaction with donors and Participating UN Organizations at Headquarter level on other AA related issues that may arise as well as attendance in reviews and provision of advice/input on AA issues that arise in evaluations of the Joint Programme.

A. SIGNATURE OF LEGAL DOCUMENTS (and related documents)

7. **Memorandum of Understanding (MOU)**

- i. Utilizing the generic UNDG MOU template then current, you shall prepare a draft “**Joint Programme Strengthening Capacity for Inclusive Local Development in South Serbia**” MOU for review by the MDTF Office. Any proposed modifications to the generic MOU should be highlighted and brought by you, without further delegation, to the attention of the Executive Coordinator for review and approval.
- ii. When the MOU is signed at the country level by country-level representatives of Participating UN Organizations, the authority to sign the final MOU, for and on behalf of the Executive Coordinator, MDTF Office representing UNDP as AA, is delegated to you.
- iii. You shall submit one original of the MOU to the MDTF Office and maintain appropriate files for all Participating UN Organizations that have signed the MOU along with other Participating UN Organization related information and records.

As part of its retained functions and of its oversight role, the MDTF Office will review the draft MOU prepared by you and provide comments and/or approval for signature (the latter in cases of deviation from the template only) no later than three working days after receipt of the MOU. When the final MOU is signed by the Participating UN Organizations at headquarters level, the MOU shall be signed by the Executive Coordinator, MDTF Office, on behalf of UNDP as AA. The MDTF Office shall post the signed MOU on the MDTF website for the Joint Programme (mdtf.undp.org).

8. Standard Administrative Arrangement (SAA)

- i. Utilizing the generic UNDG SAA template then current, you shall prepare a draft “**Joint Programme Strengthening Capacity for Inclusive Local Development in South Serbia**” SAA for review by the MDTF Office. Any proposed modifications to the generic SAA should be highlighted and brought by you, without further delegation, to the attention of the Executive Coordinator for review and approval.
- ii. When the SAA is signed at the country level by country-level representatives of donors, the authority to sign the final SAA, for and on behalf of the Executive Coordinator, MDTF Office representing UNDP as AA, is delegated to you.
- iii. You shall submit one original of the SAA to the MDTF Office and maintain appropriate files for all donors that have signed the SAA along with other donor related information and records.

As part of its retained functions and of its oversight role, the MDTF Office will review the draft SAA prepared by you and provide comments and/or approval for signature (the latter in cases of deviation from the template only) no later than three working days after receipt of the SAA. When the final SAA is signed by donors at their capital or in New York, the SAA shall be signed by the Executive Coordinator, MDTF Office on behalf of UNDP as AA. The MDTF Office shall post a sample copy of the SAA on the MDTF website for the Joint Programme.

B. FINANCIAL MATTERS¹

9. Establishment of Accounts & Receipt of Donor Contributions

¹ Financial matters are to be conducted in accordance with UNDP’s Financial Regulations and Rules, and the Programme and Operations Policies and Procedures.

- i. Based on the donor contributions specified in the SAA, you shall notify the MDTF Office at the following email address: executivecoordinator.mdtfo@undp.org and UNDP Treasury of the expected amount, and submit a copy of the SAA to UNDP Treasury at the following email address: mdtfo.treasury@undp.org.
- ii. Following receipt of donor contributions as per the SAA, MDTF Office will transfer deposits from the main fund code to the relevant sub-fund(s) code(s) (based on donor earmarking decisions, if applicable).
- iii. As part of its retained functions and of its oversight role, the MDTF Office will:
 - 1) Take the required actions related to the establishment of a separate ledger account (fund and sub-fund accounts, as applicable), a separate budget department code and association of fund, sub-funds (if applicable), and/or donor and/or department codes in consultation with the Office of Budget.
 - 2) Follow up with UNDP Treasury² for the (a) establishment of a pending item (receivable) in the total amount as per SAA, (b) receipt of donor contribution into the designated bank account in order to obtain the Deposit ID and confirmation of the posting of deposit to the relevant fund and department code, (c) ensuring any exchange gain/loss is posted to the fund and department code. The MDTF Office Treasury Associate in UNDP Treasury will acknowledge receipt of contribution to relevant donor and UNDP Country Office.

Thereafter, the MDTF Office will ensure that all new contributions are updated on the MDTF website for Joint Programmes.

10. Administrative Agent Fee

- i. The AA fee is apportioned as follows:
 - a. 30 % Country Office
 - b. 50 % MDTF Office
 - c. 20% UNDP Central Services.³

Note: MDTF Office will deduct its share (50%), Central Services's (20%) and **the CO's share (30%)** of the 1% AA fee from the contribution at the time that it is received. The CO will need to set up a separate Management Project in ATLAS [under UNDP1 GLBU] in its capacity as AA and advise the project number to lawton.wong@undp.org from Treasury with a copy to Mahrukh.nalavala@undp.org and patricia.ababio@undp.org. **The MDTF Office will transfer 30% Country Office share of the 1% AA fee to a separate AA project** set up by the CO in ATLAS.

² The MDTF Office has a fully dedicated Treasury Associate working inside Treasury to provide support to the MDTF Office and Country Offices on MDTFs and JPs.

³ This revised AA for apportionment supersedes the 50:50 split between AA and Central Services previously specified in the "UNDP Prescriptive Content under Pass through Fund Management - UNDPs Cost Recovery Policy – 2.0 Relevant Policies."

- ii. You shall ensure that all expenditures incurred by the UNDP Country Office for the AA function are charged to the AA Project in accordance with the annually approved AA budget.
- iii. You shall report the AA income in the annual progress report to the donors and other stakeholders.
- iv. You shall report the AA expenditure to the MDTF Office annually. The expenditure will need to be reported in the 2006 UNDG five (the 6th category, which is for “Indirect Costs” would not apply to AA fees) expense categories as under:
 - 1. Supplies, commodities, equipment and transport
 - 2. Personnel (staff, consultants, travel and training)
 - 3. Training of counterparts
 - 4. Contracts
 - 5. Other Direct Costs

11. **Direct Costs**

- i. If permissible under the MOU and SAA, upon securing approval from the Joint Programme Steering Committee, the authority to charge the allowable Direct Costs to the Fund Account upfront from the donor contributions, calculated at an estimated rate based on anticipated expenditures, and credited to the Direct Cost Project (Management Project in ATLAS to be set up by you) is hereby delegated to you.

12. **Joint Programme⁴ Documentation Review prior to Notification of Approval and Payment**

- i. The MDTF Office will make payments to Participating UN Organizations per the approved and signed Fund Transfer Request(s), and based on the *Joint Programme Document*, with the indicated budget that is signed and dated by the representatives of the Participating UN Organizations and the Joint Programme Steering Committee Chair (or equivalent decision making body, if applicable). You shall ensure that minutes of the Steering Committee meeting, if any, are obtained and filed as verification of decisions taken regarding Joint Programme approval(s).
- ii. You shall review the **Joint Programme Budget** to ensure total budget amount is the same amount in the approved and signed the Joint Programme Document and that the percentage of indirect costs indicated in the cover page matches the percentage indicated as Agency Management Support percentage in Joint Programme Budget and that the rate is consistent with the permissible or approved support cost rate indicated in the MOU and/or SAA. Calculate the amount given as the indirect cost to ensure that it is accurate. The rate is calculated as a percentage of the Joint Programme budget sub-total (total of Joint Programme costs excluding Indirect Support Costs).
- iii. You and the MDTF Office will keep appropriate records of documentation for future audit purposes as well as fund transparency.

⁴ The term “programme” is used for projects, programmes and joint programmes.

13. **Payments/disbursements of funds to Participating UN Organizations**

- i. The MDTF Office will set up the Joint Programme project(s) in ATLAS.
- ii. The MDTF Office will issue payments by way of a Payment Voucher to each Participating UN Organization, based on the approved and signed Fund Transfer Request(s) and the Joint Programme document duly signed by all the Participating UN Organizations. The MDTF Office will create one Payment Voucher for each Participating UN Organization, however in certain instances more than one Payment Voucher will be created if the Joint Programme is funded in tranches.
- iii. The MDTF Office will issue the approval notification and the subsequent payment notification to the relevant Participating UN Organization. The e-mail payment notification will provide information relating to the payment including payment reference number and payment date.

C. **PROGRESS REPORTS & UPDATES**

14. **Reporting by Participating UN Organizations to AA**

You are authorized to receive from the Participating UN Organizations the following updates and reports for consolidation and submission to the Participating UN Organizations, Joint Programme Steering Committee, and donors based on procedures outlined in the MOU and SAA:

- a. **Annual Narrative Progress Reports:** The Joint Programme Narrative Progress Report is prepared by the lead Joint Programme Agency using the agreed upon format based on the UNDG progress report templates, available with the MDTF Office.
- b. **Final Narrative Report:** Once the Joint Programme is operationally and financially closed, prepared similar to the annual narrative report using the generic template available with the MDTF Office.

The MDTF Office will receive from the Participating Organizations, through UNEX and the MDTF Reporting Portal, the following reports:

- a. **Annual Financial Statements and Reports:** As per MOU, prepared based on the UNDG agreed six expenditure categories, reflecting funds received, expenditure incurred, available funds and interest earned for the Joint Programme using the generic template available with the MDTF Office.
- b. **Final Certified Financial Statement and Report:** As per the MOU, prepared reflecting funds received, expenditure incurred, available funds and interest earned for the Joint Programme using generic template available with the MDTF Office.

The MDTF Office will extract from UNEX (a) the Annual Financial Statements and Reports and (b) Final Certified Financial Statements and Reports submitted by the Participating UN Organizations and will send those reports for consolidation to you. You will be responsible for consolidation and submission of the reports to the Participating UN Organizations, Joint Programme Steering Committee, and donors based on procedures outlined in the MOU and SAA

As part of its retained functions and of its oversight role, the MDTF Office will post requested updates and reports on the MDTF website for country-level Joint Programmes, as appropriate.

15. **Reporting by Administrative Agent**

The MDTF Office will prepare the following statements for submission to the Joint Programme Steering Committee, donors and Participating UN Organizations via your office:

- a. **AA Certified Annual Financial Statement (Source and Use of Funds):** As per the SAA, **the MDTF Office** shall produce an annual Financial Statement reflecting contributions received by the Joint Programme using the pass-through funding modality, income interest earned by the Participating UN Organizations and the Joint Programme (if applicable), transfers made to Participating UN Organizations for approved Joint Programme, refunds from the Participating UN Organizations as well as Administrative Agent fees, direct costs and bank charges charged to the Joint Programme. The annual year-end statement shall be certified by UNDP's Comptroller.
- b. **AA Certified Final Financial Statement (Sources and Use of Funds):** As per the SAA, **the MDTF Office** shall produce after the completion of all programme activities financed from the Joint Programme using the pass-through funding modality, a final Financial Statement reflecting contributions received by the Joint Programme, income interest earned by the Participating UN Organizations and the Joint Programme (if applicable), transfers made to Participating UN Organizations for approved Joint Programme, refunds from the Participating UN Organizations as well as Administrative Agent fees, direct costs and bank charges charged to the Joint Programme. The final Financial Statement shall be certified by UNDP's Comptroller.

You are authorized to include those reports in your Consolidated Annual and Final reports and submit them to the Joint Programme Steering Committee, donors and Participating UN Organizations

As part of its retained functions and of its oversight role, the MDTF Office shall submit annual year-end statement and final financial statements to the UNDP's Comptroller for official certification. Thereafter, the MDTF Office shall post the certified statements on the MDTF website for country-level Joint Programmes.

16. **Audit Trail and Transparency**

To ensure availability of required documentation on the Joint Programme for evaluation and audit purposes, you shall maintain appropriate records, paper and electronic files such as those listed below:

- a. List of Participating UN Organizations


- b. Table of Donor Pledges, Commitments and Deposits
- c. Consolidated Narrative Progress Reports
- d. Consolidated Financial Statements
- e. Other relevant information and communication from Participating UN Organizations relating to Joint Programme budgets and revisions thereof, contract commitments, disbursements, expenditure, etc.

As part of its retained functions and of its oversight role, the MDTF Office will post and update the above mentioned documents, as appropriate, on the MDTF website for country-level Joint Programmes.

IV. Final Provisions

- 17. If any difficulty is experienced in interpreting or giving effect to this delegation of authority, I and the relevant officers of the MDTF Office are available for consultation and advice.
- 18. Exceptions to the provisions of this delegation of authority must not be made without prior approval from the Executive Coordinator, MDTF Office.
- 19. This delegation of authority will remain in effect as set forth herein until such time that your assignment as **UNDP Deputy Resident Representative a. i.**, ends or this delegation of authority is amended or superseded. You are kindly requested to notify the MDTF Office of such changes.
- 20. This delegation of authority will enter into effect upon receipt of your confirmation, through your signature below, that you accept and will implement the provisions outlined above.

ACCEPT:

Signature: 
Name: Olivera Puric
Title: DRR a.i.
Date: 01.06.2010.

ANNEX	SAMPLE DOCUMENTS
1.	UNDG approved “ Protocol on the Administrative Agent for Multi-Donor Trust Funds and Joint Programmes, and One UN Funds”
2.	UNDP’s accountability when acting as Administrative Agent in Multi-Donor Trust Funds and/or UN Joint Programmes using the pass-through fund management modality (UNDP/MDTF Accountability Framework)
3.	UNDG Generic Memorandum of Understanding (MOU)
4.	UNDG Generic Standard Administrative Arrangement (SAA)
5.	UNDG Generic MDTF Steering Committee Terms of Reference (TOR) [for information and guidance only]
6.	Generic MDTF Steering Committee Rules of Procedure (ROP) [for information and guidance only]
7.	Joint Programme Document
8.	Joint Programme Budget
9.	Joint Programme Summary template (<i>for posting on web</i>)
10.	Joint Programme Quarterly Progress Update
11.	Annual Narrative Progress Report (<i>preliminary template</i>)
12.	Annual Financial Statement and Report
13.	Final Narrative Report
14.	Certified Final Financial Statement and Report
15.	Administrative Agent Certified Annual Financial Statement
16.	Administrative Agent Certified Final Financial Statement
17.	Notification of Expected Deposits (generic mailbox: mdtfo.treasury@undp.org)
18.	Acknowledgment of Receipt of Donor Contribution
19.	Payment Voucher
20.	Notification of Payment to Participating UN Organization
21.	UNDG MDTF Fiduciary Management Oversight Framework
22.	UNEX /Reporting Portal Guidelines
23.	Fund Transfer Request Form