

**STANDARD MEMORANDUM OF UNDERSTANDING (MOU) FOR
MULTI-DONOR TRUST FUNDS USING PASS-THROUGH FUND
MANAGEMENT**

**United Nations Collaborative Programme on Reduced Emissions from
Deforestation and Degradation in Developing Countries
(UN-REDD)**

Memorandum of Understanding¹
between
the United Nations Food and Agriculture Organization (FAO), the United Nations
Development Programme (UNDP), the United Nations Environment Programme
(UNEP),
and
the United Nations Development Programme (UNDP)
regarding the Operational Aspects of
the Multi Donor Trust Fund:

United Nations' Collaborative Programme on Reduced Emissions from
Deforestation and Degradation in Developing Countries (UN-REDD)

WHEREAS, the FAO, UNDP, and UNEP signing this Memorandum of Understanding (hereinafter referred to collectively as the "Participating UN Organizations") have developed a Collaborative Programme on Reduced Emissions from Deforestation and Degradation in Developing Countries (UN-REDD) starting on 20 June 2008 and ending on 31 December 2015 (hereinafter referred to as the "UN-REDD Programme"), as may be amended from time to time, as part of their respective development cooperation, as more fully described in the UN-REDD Programme Strategy 2011-2015 endorsed by the UN-REDD Programme Policy Board on 5 November 2010, (hereinafter referred to as the "UN-REDD Strategy"), a copy of which is attached hereto as ANNEX A, and have established a common development fund (hereinafter referred to as the "Fund"), the terms of reference of which are attached hereto as ANNEX B;

WHEREAS, the Participating UN Organizations have agreed that they should adopt a coordinated approach to collaboration with donors who wish to support the implementation of the Fund and have developed a TOR to use as the basis for mobilising resources for Fund, and have further agreed that they should offer donors the opportunity to contribute to the Fund and receive reports on the Fund through a single channel; and

WHEREAS, the Participating Un Organizations have agreed to implement the UN-REDD Programme through joint national programmes for country actions and a joint global programme for international support functions (hereinafter referred to as "Programme Documents"), as set out in the UN-REDD Strategy, recognizing that the execution of the Programme Documents may involve national governments, NGOs and/or Multilateral Development Banks and will be closely coordinated with other relevant REDD+ initiatives; and

WHEREAS, the Participating UN Organizations have further agreed to ask the United Nations Development Programme (which is also a Participating UN Organization in connection with this Fund) to serve as the administrative interface between the donors and the Participating UN Organizations and for these purposes the United Nations

¹ This MOU supercedes the MOU signed on 26 June 2008 establishing the UN-REDD Programme Multi-Donor Trust Fund.

Development Programme has agreed to do so, through its Multi-Donor Trust Fund Office (MDTF Office) in accordance with this Memorandum of Understanding.

NOW, THEREFORE, the Participating UN Organizations and the United Nations Development Programme (hereinafter referred to collectively as the “Participants”) hereby agree as follows:

Section I
Appointment of Administrative Agent; its Status, Duties and Fee

1. The Participating UN Organizations hereby appoint the United Nations Development Programme, through its Multi-Donor Trust Fund Office (MDTF Office), (hereinafter referred to as the “Administrative Agent”) to serve as their Administrative Agent in connection with the Fund, in accordance with the terms and conditions set out in this Memorandum of Understanding. The Administrative Agent accepts this appointment on the understanding that the Participating UN Organizations assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent. This appointment will continue until it expires, or is terminated, in accordance with Section VIII below.
2. On behalf of the Participating UN Organizations, the Administrative Agent will:
 - (a) Receive contributions from donors that wish to provide financial support to the Fund;
 - (b) Administer such funds received, in accordance with this Memorandum of Understanding including the provisions relating to winding up the Fund Account and related matters;
 - (c) Subject to availability of funds, disburse such funds to each of the Participating UN Organizations in accordance with instructions from the UN-REDD Policy Board, taking into account the budget set out in the approved programmatic document², as amended in writing from time to time by the UN-REDD Policy Board;
 - (d) Consolidate statements and reports, based on submissions provided to the Administrative Agent by each Participating UN Organization, as set forth in the TOR, and provide these to each donor that has contributed to the Fund Account and to the UN-REDD Policy Board;

² As used in this document, an approved programmatic document refers to an annual work plan or a programme/project document, etc., which is approved by the Policy Board for fund allocation purposes.

- (e) Provide final reporting, including notification that the Fund has been fully expended or has been wound up in accordance with the Fund TOR, in accordance with Section IV below;
- (f) Disburse funds to any Participating UN Organization for any additional costs of the task that the UN-REDD Policy Board may decide to allocate (as referred to in Section I, Paragraph 3) in accordance with TOR.

3. The UN-REDD Policy Board may request any of the Participating UN Organizations, to perform additional tasks in support of the Fund not related to the Administrative Agent functions detailed in Section I, Paragraph 2 above and subject to the availability of funds. Costs for such tasks will be agreed in advance and with the approval of the UN-REDD Policy Board be charged to the Fund as direct costs.

4. The Administrative Agent will enter into a Standard Administrative Arrangement, in the form attached hereto as ANNEX B (hereinafter referred to as an “Administrative Arrangement”), with each donor that wishes to provide financial support to the Fund through the Administrative Agent. The Administrative Agent will not agree with the Donor to amend the terms of Annex B without prior written agreement of the Participating UN Organizations. The Administrative Agent will ensure the posting of a copy of the Administrative Arrangement it enters into, as well as information on donor contributions, on the website of the Administrative Agent (mdtf.undp.org), as well as the website of the UN-REDD Programme (www.un-redd.org), as appropriate.

5. None of the Participating UN Organizations will be responsible for the acts or omissions of the Administrative Agent or its personnel, or of persons performing services on its behalf, except in regard to its respective contributory acts or omissions. With respect to contributory acts or omissions of the Participating UN Organizations, the resulting responsibility will be apportioned among them or any one of them to the extent of such contributory acts or omissions, or as may otherwise be agreed. In addition, donors will not be directly responsible for the activities of any person employed by the Participating UN Organizations or the Administrative Agent as a result of this Memorandum of Understanding.

6. The Administrative Agent will be entitled to allocate an administrative fee of one percent (1%) of the amount contributed by each donor signing an Administrative Arrangement, to meet the Administrative Agent’s costs of performing the Administrative Agent’s functions described in this Memorandum of Understanding.

7. Where the Administrative Agent is also a Participating UN Organization, a clear delineation, including distinct reporting lines and an accountability framework, will be established and maintained within the organization designated as the Administrative Agent between its functions as an Administrative Agent and its functions as a Participating UN Organization.

Section II **Financial Matters**

The Administrative Agent

1. The Administrative Agent will establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds received pursuant to Administrative Arrangement (hereinafter, the “Fund Account”). The Fund Account will be administered by the Administrative Agent in accordance with the regulations, rules, directives and procedures applicable to it, including those relating to interest. The Fund Account will be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the Administrative Agent.
2. The Administrative Agent will not absorb gains or losses on currency exchanges which will increase or decrease the funds available for disbursements to Participating UN Organizations.
3. Subject to the availability of funds, the Administrative Agent will make disbursements from the Fund Account based on instructions from the UN-REDD Policy Board, in line with the budget set forth in the programmatic document, as amended from time to time by the UN-REDD Policy Board. The disbursements will consist of direct and indirect costs as set out in the budget.
4. The Administrative Agent will normally make each disbursement within three (3) to five (5) business days after receipt of the relevant approved programmatic document, in accordance with the instructions received from the UN-REDD Policy Board in line with the TOR, along with a copy of the relevant approved programmatic document, signed by all the parties concerned. The Administrative Agent will transfer funds to each Participating UN Organization through wire transfer. Each Participating UN Organization will advise the Administrative Agent in writing of the bank account for transfers pursuant to this Memorandum of Understanding. When making a transfer to a Participating UN Organization, the Administrative Agent will notify that Participating UN Organization’s Treasury Operations of the following: (a) the amount transferred, (b) the value date of the transfer; and (c) that the transfer is from the United Nations Development Programme in respect of the Fund pursuant to this Memorandum of Understanding.
5. Where the balance in the Fund Account on the date of a scheduled disbursement is insufficient to make that disbursement, the Administrative Agent will consult with the UN-REDD Policy Board and make a disbursement, if any, in accordance with the UN-REDD Policy Board’s instructions.

The Participating UN Organizations

6. Each Participating UN Organization will establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds disbursed to it by the Administrative Agent from the Fund Account. That separate ledger account will be administered by each Participating UN Organization in accordance with its own

regulations, rules, directives and procedures, including those relating to interest. That separate ledger account will be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the Participating UN Organization concerned.

7. Each Participating UN Organization will use the funds disbursed to it by the Administrative Agent from the Fund Account to carry out the activities for which it is responsible as set out in the approved programmatic document, as well as for its indirect costs. The Participating UN Organizations will commence and continue to conduct operations for the programmatic activities only upon receipt of disbursements as instructed by the UN-REDD Policy Board. The Participating UN Organizations will not make any commitments above the approved budget in the approved programme document, as amended from time to time by the UN-REDD Policy Board. If there is a need to exceed the budgeted amount, the Participating UN Organization concerned will submit a supplementary budget request to the UN-REDD Policy Board.

8. Indirect costs of the Participating UN Organizations recovered through programme support costs will be 7%. In accordance with the UN General Assembly resolution 62/208 (2007 Triennial Comprehensive Policy Review principle of full cost recovery), all other costs incurred by each Participating UN Organization in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs.

Section III **Activities of the Participating UN Organizations**

1. The implementation of the programmatic activities will be the responsibility of the Participating UN Organizations and will be carried out by each Participating UN Organization in accordance with its applicable regulations, rules, directives and procedures. On the termination or expiration of this Memorandum of Understanding, the matter of ownership of supplies and equipment will be determined in accordance with the regulations, rules, directives and procedures applicable to such Participating UN Organizations, including, where applicable, any agreement with the relevant host Government (if applicable).

2. Any modifications to scope of the approved programmatic document, including as to their nature, content, sequencing or the duration thereof will be subject to mutual agreement in writing between the relevant Participating UN Organization and the UN-REDD Policy Board. The Participating UN Organization will promptly notify the Administrative Agent through the UN-REDD Policy Board, of any change in the budget as set out in the programmatic document.

3. Where a Participating UN Organization wishes to carry out its programmatic activities through or in collaboration with a third party, it will be responsible for discharging all commitments and obligations with such third parties, and no other Participating UN Organization, nor the Administrative Agent, will be responsible for doing so.

4. In carrying out their programmatic activities, none of the Participating UN Organizations will be considered as an agent of any of the others and, thus, the personnel of one will not be considered as staff members, personnel or agents of any of the others. Without restricting the generality of the preceding sentence, none of the Participating UN Organizations will be liable for the acts or omissions of the other Participating UN Organizations or their personnel, or of persons performing services on their behalf.
5. Each Participating UN Organization will advise the Administrative Agent in writing when all activities for which it is responsible under the approved programmatic document have been completed.
6. The Participating UN Organizations recognize that the donors reserve the right to discontinue future contributions if reporting obligations are not met as set forth in the Administrative Arrangement; or if there are substantial deviations from agreed plans and budgets. If it is agreed among the donor(s), the Administrative Agent and the concerned Participating UN Organization under the Administrative Arrangement that there is evidence of improper use of funds, the Participating UN Organization will use its best efforts, consistent with its regulations, rules, policies and procedures to recover any funds misused. The Participating UN Organization will, in consultation with the UN-REDD Policy Board and the Administrative Agent, credit any funds so recovered to the Fund Account or agree with the UN-REDD Policy Board to use these funds for a purpose mutually agreed upon. Before withholding future contributions or requesting recovery of funds and credit to the Fund Account, the Administrative Agent, the concerned Participating UN Organization and the donor will consult with a view to promptly resolving the matter.
7. The Participating UN Organizations recognize that it is important to take all necessary precautions to avoid corrupt, fraudulent, collusive or coercive practices. To this end, each Participating UN Organization will maintain standards of conduct that govern the performance of their staff, including the prohibition of corrupt, fraudulent, collusive or coercive practices, in connection with the award and administration of contracts, grants, or other benefits, as set forth in their Staff Regulations and Rules and Financial Regulations and Rules, including regarding procurement. In the event that a Participating UN Organization determines that an allegation in relation to the implementation of activities – including that corrupt, fraudulent, collusive or coercive practices may have taken place - is credible enough to warrant an investigation, it will promptly notify the UN-REDD Policy Board and the Administrative Agent, to the extent that such notification does not jeopardize the conduct of the investigation. The allegation will be dealt with in accordance with the Participating UN Organization's accountability and oversight framework and by the Participating UN Organization's unit in charge of investigations. Upon completion of the investigation, the Participating UN Organization will inform the UN-REDD Policy Board and the Administrative Agent about the results of the investigation.
8. As an exceptional measure, particularly during the start up phase of the Fund, subject to conformity with their financial regulations, rules and directives, Participating UN Organizations may elect to start implementation of programmatic activities in advance of receipt of initial or subsequent transfers from the Fund Account by using their

own resources. Such advance activities will be undertaken in agreement with the UN-REDD Policy Board on the basis of funds it has allocated or approved for implementation by the particular Participating UN Organization following receipt by the Administrative Agent of an official commitment form or signature of the Administrative Arrangements by donors contributing to the Fund. Participating UN Organizations will be solely responsible for decisions to initiate such advance activities or other activities outside the parameters set forth above.

Section IV **Reporting**

1. Each Participating UN Organization will provide the Administrative Agent with the following statements and reports prepared in accordance with the accounting and reporting procedures applicable to the Participating UN Organization concerned, as set forth in the TOR. The Participating UN Organizations will endeavour to harmonize their reporting formats to the extent possible.

- (a) Annual narrative progress reports, to be provided no later than three months (31 March) after the end of the calendar year;
- (b) Annual financial statements and reports as of 31 December with respect to the funds disbursed to it from the Fund Account, to be provided no later than four months (30 April) after the end of the calendar year;
- (c) Final narrative reports, after the completion of the activities in the approved programmatic document and including the final year of the activities in the approved programmatic document, to be provided no later than four months (30 April) of the year following the financial closing of the Fund. The final report will give a summary of results and achievements compared to the goals and objectives of the Fund; and
- (d) Certified final financial statements and final financial reports after the completion of the activities in the approved programmatic document and including the final year of the activities in the approved programmatic document, to be provided no later than six months (30 June) of the year following the financial closing of the Fund.

2. The Administrative Agent will prepare consolidated narrative progress and financial reports, based on the reports referred to in paragraph 1 (a) to (d) above, and will provide those consolidated reports to each donor that has contributed to the Fund Account, as well as the UN-REDD Policy Board, in accordance with the timetable established in the Administrative Arrangement.

3. The Administrative Agent will also provide the donors, UN-REDD Policy Board and Participating UN Organizations with the following statements on its activities as Administrative Agent:

- (a) Certified annual financial statement (“Source and Use of Funds” as defined by UNDG guidelines) to be provided no later than five months (31 May) after the end of the calendar year; and
 - (b) Certified final financial statement (“Source and Use of Funds”) to be provided no later than seven months (31 July) of the year following the financial closing of the Fund.
4. Consolidated reports and related documents will be posted on the websites of the UN-REDD Programme (www.un-redd.org) and the Administrative Agent (mdtf.undp.org).

Section V **Monitoring and Evaluation**

1. Monitoring and evaluation of the Fund will be undertaken in accordance with the provisions contained in the TOR, which are consistent with the respective regulations, rules and procedures of the Participating UN Organizations.
2. The donor(s), the Administrative Agent and the Participating UN Organizations will hold annual consultations, as appropriate, to review the status of the Fund.

Section VI **Audit**

1. The Administrative Agent and Participating UN Organizations will be audited in accordance with their own Financial Regulations and Rules and, in case of MDTFs, in accordance with the Framework for auditing multi-donor trust funds which has been agreed to by the Internal Audit Services of participating UN organizations and endorsed by the UNDG in September 2007.

Section VII **Joint Communication**

1. Each Participating UN Organization will take appropriate measures to publicize the Fund and to give due credit to the other Participating UN Organizations. Information given to the press, to the beneficiaries of the Fund, all related publicity material, official notices, reports and publications, will acknowledge the role of the host Government, the donors, the Participating UN Organizations, the Administrative Agent and any other relevant entities. In particular, the Administrative Agent will include and ensure due recognition of the role of each Participating UN Organization and national partner in all external communications relating to the Fund.
2. The Administrative Agent in consultation with the Participating UN Organizations will ensure that decisions regarding the review and approval of the Fund as well as periodic reports on the progress of implementation of the Fund, associated external evaluation are posted, where appropriate, for public information on the websites of the UN-REDD Programme (www.un-redd.org) and the Administrative Agent

(mdtf.undp.org). Such reports and documents may include UN-REDD Policy Board approved programmes and programmes awaiting approval, fund level annual financial and progress reports and external evaluations, as appropriate.

Section VIII **Expiration, Modification and Termination**

1. This Memorandum of Understanding will expire upon winding up of the Fund, subject to the continuance in force of paragraph 5 below for the purposes therein stated.
2. This Memorandum of Understanding may be modified only by written agreement between the Participants.
3. Any of the Participating UN Organizations may withdraw from this Memorandum of Understanding upon giving thirty (30) days' written notice to all other Participants to this Memorandum of Understanding subject to the continuance in force of paragraph 5 below for the purpose therein stated.
4. The Administrative Agent's appointment may be terminated by the Administrative Agent (on the one hand) or by the mutual agreement of all Participating UN Organizations (on the other hand) on thirty (30) days' written notice to the other party, subject to the continuance in force of paragraph 5 below for the purpose therein stated. In the event of such termination, the Participants will agree on measures to bring all activities to an orderly and prompt conclusion so as to minimize costs and expense.
5. Commitments assumed by the withdrawing or terminating Participants under this Memorandum of Understanding will survive the expiration or termination of this Memorandum of Understanding or the termination of the Administrative Agent or withdrawal of a Participating UN Organization to the extent necessary to permit the orderly conclusion of the activities and the completion of final reports, the withdrawal of personnel, funds and property, the settlement of accounts between the Participants hereto and the settlement of contractual liabilities that are required in respect of any subcontractors, consultants or suppliers. Any balance remaining in the Fund Account or in the individual Participating UN Organizations' separate ledger accounts upon winding up of the Fund will be used for a purpose mutually agreed upon or returned to the donor(s) in proportion to their contribution to the Fund as agreed upon by the donors and the UN-REDD Policy Board.

Section IX **Notices**

1. Any action required or permitted to be taken under this Memorandum of Understanding may be taken on behalf of the Administrative Agent, or his or her designated representative, and on behalf of a Participating UN Organization's designated representative.

2. Any notice or request required or permitted to be given or made in this Memorandum of Understanding will be in writing. Such notice or request will be deemed to be duly given or made when it will have been delivered by hand, mail or any other agreed means of communication to the party to which it is required to be given or made, at such party's address specified in ANNEX C to this Memorandum of Understanding or at such other address as the party will have specified in writing to the party giving such notice or making such request.

Section X
Entry into Effect

This Memorandum of Understanding will come into effect upon signature by authorized officials of the Participants and will continue in full force and effect until it is expired or terminated.

Section XI
Settlement of Disputes

1. The Participants will use their best efforts to promptly settle through direct negotiations any dispute, controversy or claim arising out of or in connection with this Memorandum of Understanding or any breach thereof. Any such dispute, controversy or claim which is not settled within sixty (60) days from the date either party has notified the other party of the nature of the dispute, controversy or claim and of the measures which should be taken to rectify it, will be resolved through consultation between the Executive Heads of each of the Participating UN Organizations and of the Administrative Agent.

IN WITNESS WHEREOF, the undersigned, duly authorized representatives of the respective Participants, have signed this Memorandum of Understanding in the English in **4** copies.

For the Administrative Agent

*For the Food and Agriculture
Organization of the United Nations*

Signature: _____
Name: Bisrat Aklilu
Title: Executive Coordinator, MDTF Office
Place: _____
Date: _____

Signature: _____
Name: Changchui He
Title: Deputy Director General,
Operations
Place: _____
Date: _____

*For the United Nations Development
Programme*

*For the United Nations Environment
Programme*

Signature: _____
Name: Veerle Vandeweerd
Title: Director, Environment and Energy
Group, Bureau for Development Policy
Place: _____
Date: _____

Name: Ibrahim Thiaw
Title: Director, Division of
Environmental Policy Implementation
Place: _____
Date: _____

ANNEX A: Terms of Reference

ANNEX B: Standard Administrative Arrangement between the Donor and the
Administrative Agent

ANNEX C: Notices

ANNEX C

NOTICES

For the Administrative Agent:

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For FAO

Name: Peter Holmgren
Title: Director,
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Address: *Via delle Terme di Caracalla* 00100 Roma Italy
Telephone: +39 06 5705 2714
Facsimile: _____
Electronic mail: peter.holmgren@fao.org

For UNDP

Name: Tim Clairs
Title: Principal Policy and Technical Advisor, REDD+,
Environment & Energy Group
Address:
Telephone:
Facsimile:
Electronic mail:

For UNEP

Name: Tim Kasten
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Terrestrial Ecosystems Branch
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Annex A

Terms of Reference



Multi Donor Trust Fund

Programmatic Framework

The Programmatic Framework is the UN REDD Programme Strategy 2011-2015 which was endorsed by the UN-REDD Programme Policy Board on 5 November 2010 and can be found on <http://mdtf.undp.org/factsheet/fund/CCF00> as well as <http://www.un-redd.org/AboutUNREDDProgramme/tabid/583/Default.aspx>

Structure and procedures

The **UN-REDD Programme Policy Board** provides overall leadership and sets the strategic direction of the UN-REDD Programme. It decides on Programme financial allocations, in line with the budget parameters set out in the UN-REDD Programme Strategy¹, and develops monitoring mechanisms, with a view to ensuring Fund-wide success. The UN-REDD Programme Policy Board will ensure coordination with REDD+ actors at a global scale, such as the World Bank's FCPF participants' committee. It includes UNEP, UNDP, FAO, three MDTF donors, nine REDD+ countries, the United Nations Permanent Forum on Indigenous Issues (representing Indigenous People) and a civil society representative. Observers are also invited to participate including the FCPF Management Team, the Secretariat of the United Nations Framework Convention on Climate Change, the Global Environment Facility Secretariat, indigenous peoples and civil society.

As endorsed by the Policy Board, the Participating UN Organizations have constituted a group called the Coordination Group (CG). This group provides strategic oversight to the Programme and the Secretariat to improve the UN-REDD Programme's capacity and responsiveness to new demands as they emerge.

The UN-REDD Programme Secretariat is located in Geneva, Switzerland and is an inter-agency unit of the three UN-REDD Programme Organizations. Among other things, the Secretariat supports the Policy Board by organizing meetings, producing reports and monitoring implementation of Policy Board decisions. It ensures policies and strategies decided by the Policy Board are implemented and adhered to. It is a central point of contact for the UN-REDD Programme and liaises with other REDD+ initiatives. This includes liaising with existing and potential donors in order to mobilize funds. The Secretariat provides leadership in strategic planning, and the development and management of reporting, monitoring and evaluation frameworks for the Programme, raising awareness of, and championing the UN-REDD Programme and providing vital information to external partners. The Secretariat also facilitates interagency collaboration and communication, to ensure the Programme is implemented effectively. The Secretariat activities are more specifically described in its Terms of Reference, as amended from time to time.

The UN-REDD Programme will be implemented through joint national programmes for country actions and joint global programmes for international support functions (hereinafter referred to as "Programme Documents"), as set out in the main text. While these programmes will be implemented by FAO, UNDP and/or UNEP, it is recognised that close coordination and participation with other REDD+ actors will be critical. National governments, Multilateral Development Banks and NGOs can receive funding through a Participating UN Organization and act as executing agencies. In addition, the UN-REDD Programme will consult and coordinate closely with other relevant REDD+ initiatives and donors, particularly the World Bank, the GEF and bilaterals.

Administration of the UN-REDD Programme MDTF is entrusted to the Multi-Partner Trust Fund Office (MPTF Office) of UNDP, as the Administrative Agent who serves as the administrative interface with donors. UNDP's accountability as the Administrative Agent is set out in the policy "[UNDP's Accountability when acting as Administrative Agent in MDTFs and/or UN Joint Programmes using the pass-through fund management modality](#)" and "[UNDG Protocol on the Administrative Agent for MDTF and JPs, and One UN Funds](#)". Participating UN Organizations, in this case FAO, UNDP and UNEP, assume full programmatic and financial accountability for the funds received from the Administrative Agent.

The UNDP MPTF Office is the Administrative Agent of the Fund.

On behalf of the Participating UN Organizations, the Administrative Agent will:

- (g) Receive contributions from donors that wish to provide financial support to the Fund;
- (h) Administer such funds received, in accordance with the Memorandum of Understanding including the provisions relating to winding up the Fund Account and related matters;
- (i) Subject to availability of funds, disburse such funds to each of the Participating UN Organizations in accordance with instructions from the UN-REDD Programme Policy Board, taking into account the budget set out in the approved programmatic document³, as amended from time to time by the ;
- (j) Consolidate statements and reports, based on submissions provided to the Administrative Agent by each Participating UN Organization, as set forth in this TOR, and provide these to each donor that has contributed to the Fund Account and to the UN-REDD Programme Policy Board;
- (k) Provide final reporting, including notification that the Fund has been fully expended or has been wound up in accordance with this TOR;
- (l) Disburse funds to any Participating UN Organization for any additional costs of the task that the UN-REDD Policy Board may decide to allocate in accordance with the MOU and TOR.

The UN-REDD Policy Board may request any of the Participating UN Organizations, to perform additional tasks in support of the Fund not related to the Administrative Agent functions detailed above and subject to the availability of funds. Costs for such tasks will be agreed in advance and with the approval of the UN-REDD Policy Board be charged to the Fund as direct costs.

The Administrative Agent will be entitled to allocate an administrative fee of one percent (1%) of the amount contributed by each donor signing an Administrative

³ As used in this document, an approved programmatic document refers to an annual work plan or a programme/project document, etc., which is approved by the Policy Board for fund allocation purposes.

Arrangement, to meet the Administrative Agent's costs of performing the Administrative Agent's functions.

Each **Participating UN Organization** shall assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent. Each Participating UN Organization shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent. The Participating UN Organizations participate in the design, ongoing programmatic implementation and oversight of the National Programmes. Participating UN Organizations shall be entitled to deduct their indirect costs on contributions received according to their own regulations and rules, taking into account the size and complexity of the particular programme.

Indirect costs of the Participating UN Organizations recovered through programme support costs will be 7%. In accordance with the UN General Assembly resolution 62/208 (2007 Triennial Comprehensive Policy Review principle of full cost recovery), all other costs incurred by each Participating UN Organization in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs.

The Participating UN Organizations' UN-REDD teams, regional advisors and country offices will be supported by **UN Resident Coordinators** in their strategic leadership of the UN Country Team and relationships with national authorities. The UN Resident Coordinator will provide ongoing coordination of the National Programmes, ensuring the Participating UN Organizations are meeting their obligations. The Resident Coordinator is entrusted with supporting the overall National Programme design under the government's leadership, ongoing programmatic oversight of the National Programme activities, UN coordination with the National REDD Office where such exist, and the consolidation of National Programme reports. Progress reports and monitoring results are transmitted to the UN-REDD focal points in each Participating UN Organization for quality assurance and transmission to the UN-REDD Secretariat.

Involvement of the Government in the deliberations concerning the Fund-related activities in the country is crucial. The UN-REDD Programme also looks to Resident Coordinators to reach out to NGOs, CSOs, national governments and non-resident UN agencies, where appropriate.

Activities supported by UN-REDD National Programmes are expected to take the form of Joint UN Programmes whereby multiple UN organizations collaborate around a common programmatic goal. Funds will be channelled to individual organizations to meet their commitments to the Joint Programme, through the Administrative Agent.

Contributions to the UN-REDD Programme Fund

Contributions to the UN-REDD Programme Fund may be accepted from governments of Member States of the United Nations or from intergovernmental or non-governmental organisations, or from private sources. Acceptance of funds from the private sector will be guided by criteria stipulated in the UN system-wide guidelines on cooperation between the UN and Business Community (the UN Secretary General's guidelines:

<http://www.un.org/partners/business/otherpages/guide.htm>).

In support of the overarching aim of UN-REDD Programme, and to ensure maximum flexibility and coordination, a guiding principle for resource mobilization would be that donors are encouraged to contribute with multi-year pooled/ unearmarked resources. However, if this is not possible, country specific contributions will also be accepted. Earmarks to the Global Programme is also allowed per the decision of UN-REDD Programme Policy Board, 19 March 2010.

Contributions to the UN-REDD Programme Fund may be accepted in fully convertible currency. Such contributions shall be deposited in the bank accounts designated by UNDP. The value of a contribution-payment, if made in other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment.

Formulation process and release of funds

The REDD+ technical and policy advisors of the Participating UN Organizations will support the development of National Programme documents at the country level. The draft National Programme document will be submitted to the UN-REDD Programme Secretariat on behalf of the national government by the Resident Coordinator, once cleared by the UN-REDD focal points in each Participating UN Organization. The UN-REDD Programme Secretariat will review the document with a view to ensuring consistency in design standards. The Secretariat may also seek technical comments on the draft document from recognized experts in the field.

The draft National Programme will then be presented to the UN-REDD Programme Policy Board for funding allocation and budget approval. On receipt of the Policy Board's budget approval, the Participating UN Organizations will proceed to assist the national government counterpart to finalise the National Programme document, complete the quality assurance requirements of the Participating UN Organizations and respond to comments set out in the Policy Board Submission Form. The UN-REDD Programme Secretariat will review the final National Programme document to ensure it is in accordance with the Submission Form requirements.

On receipt of a copy of the signed National Programme document and the signed Submission Form, the Multi Donor Trust Fund Office will release funds to the Participating UN Organization(s). Periodic reviews of programme management and finances will be undertaken jointly by the Participating UN Organizations in accordance with their quality assurance requirements.

Monitoring and accountability

Participating UN Organizations in receipt of UN-REDD Programme resources will be required to provide the Administrative Agent with the following statements and reports:

- (e) Annual narrative progress reports, to be provided no later than three months (31 March) after the end of the calendar year;
- (f) Annual financial statements and reports as of 31 December with respect to the funds disbursed to it from the Fund Account, to be provided no later than four months (30 April) after the end of the calendar year;

- (g) Final narrative reports, after the completion of the activities in the approved programmatic document and including the final year of the activities in the approved programmatic document, to be provided no later than four months (30 April) of the year following the financial closing of the Fund. The final report will give a summary of results and achievements compared to the goals and objectives of the Fund; and
- (h) Certified final financial statements and final financial reports after the completion of the activities in the approved programmatic document and including the final year of the activities in the approved programmatic document, to be provided no later than six months (30 June) of the year following the financial closing of the Fund.

The Administrative Agent shall prepare consolidated narrative progress and financial reports consisting of the reports referred to above submitted by each Participating UN Organization, and shall provide those consolidated reports to the UN-REDD focal points in each Participating UN Organization and subsequently to the UN-REDD Programme Policy Board through the Secretariat.

Decisions by the UN-REDD Programme Policy Board will be shared with all stakeholders in order to ensure the full coordination and coherence of UN-REDD Programme efforts. The UN-REDD Programme Secretariat and the MPTF Office will develop dedicated web sites to ensure appropriate transparency and accountability. In line with the UN's commitment towards public disclosure of its operational activities, summaries of project information and , periodic progress reports will be posted on the web site. Participating UN Organizations will be encouraged to publish expressions of interest, requests for proposals and invitations to bid on the public web site.

Activities carried out by the Participating UN Organizations shall be subject to internal and external audit as articulated in their applicable Financial Regulations and Rules. In addition, the UN-REDD Programme Policy Board will consult with the Participating UN Organizations on any additional specific audits or reviews that may be required, subject to the respective Financial Regulations and Rules of the Participating UN Organizations. Participating UN Organizations will provide a summary of their internal audit key findings and recommendations for consolidation by the Secretariat and submission to the Policy Board.

Evaluation

The UN-REDD Programme will establish an Evaluation Plan which ensures that all programmes supported by the UN-REDD Programme MDTF will undertake a final evaluation which will assess the relevance and effectiveness of the intervention, and measure the development impact of the results achieved, on the basis of the initial analysis and indicators described at the time of programme formulation.

Joint Communications

Information given to the press, to the beneficiaries of UN-REDD Programme, all related publicity material, official notices, reports and publications, shall acknowledge the role of the UN-REDD Programme donors, the Participating UN Organizations, and any other relevant parties.

Whenever possible and to the extent that it does not jeopardize the privileges and immunities of Participating UN Organizations, and the safety and security of their staff, Participating UN Organizations will promote donor visibility on information, project materials and at project sites, in accordance with their respective regulations, rules, policies and procedures.

Other Matters

The UN-REDD Programme Fund will be established upon signing of the first Memorandum of Understanding amongst Participating UN Organisations and the Administrative Agent. It will become operational upon signing of the first Standard Administrative Arrangement with the donor. The UN-REDD Programme Fund will terminate upon completion of all Projects/Programmes funded through the UN-REDD Programme Fund and after satisfaction of all commitments and liabilities. Notwithstanding the completion of the initiatives financed from the UN-REDD Programme Fund, any unutilized balances will continue to be held in the UN-REDD Programme Fund Account until all commitments and liabilities incurred in implementation of the Projects/Programmes have been satisfied and project activities have been brought to an orderly conclusion. Any balance remaining in the UN-REDD Programme Fund Account or in the individual Participating UN Organizations' accounts upon completion of the UN-REDD Programme shall be used as decided by the Policy Board.

Further Information

For more information about the MDTF pass-through modality, please see: www.mdtf.undp.org

ⁱ The Framework Document was the initial programmatic framework that established the UN-REDD Programme Fund. It has been replaced by the UN-REDD Programme Strategy 2011-2015 endorsed by the UN-REDD Policy Board on 5 November 2010.