



FIDUCIARY MANAGEMENT OVERSIGHT GROUP

GUIDANCE NOTE ON TRANSFERRING CONTRIBUTIONS FROM ONE UN AGENCY TO ANOTHER FOR THE PURPOSE OF PROGRAMMATIC ACTIVITIES

INTRODUCTION

This guidance note and template was prepared in response to a number of bottlenecks identified by country offices, the majority of which were the ‘Delivering as One’ pilot countries, as part of the efforts of the Task Team on Financial Issues to identify and address key bottlenecks in the area of finance. The purpose of this note is to facilitate the legal and financing arrangements where two UN agencies are implementing partners and one transfers resources to the other agency to carry out activities. This guidance note and the template agreement do not replace the current agreements under the following arrangements:

- **Joint Programmes, where transfer of resources from one UN agency to another is legalized through UNDG agreed instruments, including Standard Administrative Arrangement (SAA) and Memorandum of Understanding (MOU);**
The key difference is that under Joint Programmes, either donor(s) contribute to more than one UN agency programmes and each recipient UN agency is accountable to the donor(s), as defined in the UNDG standard agreements (SAA under the Pass-Through fund management modality) or UN agencies decide to pool funds together and entrust the fund management to one UN agency (Managing Agent under Pooled fund management modality), which is also governed by the standard UNDG agreement, i.e. MOU.
- **UNDP arrangements with UN agencies (mainly Specialized Agencies) under the Standard Basic Executing Entity Agreement (SBEAA).**
- **Arrangements among UN entities related to one programme or project funded by the Global Fund to Fight Aids, Tuberculosis and Malaria (GFATM).**

In all other cases, the present guidance note and template agreement is to be used when one UN agency transfers resources to another UN agency for the purpose of programmatic activities in the framework of one programme or project. In such arrangements, the “contributing agency” is accountable to the donor(s) and the “recipient agency” is accountable to the “contributing agency” for use of the funds.

Throughout this template agreement the term “contributing agency” is used to refer to the UN agency that will transfer its resources and the term “recipient agency” to the UN agency that will receive resources and implement the programmatic activities.

This standard template provides an overall format and structure and provides options for the agencies to select depending on the circumstances. The standard UN to UN Agency Contribution Agreement template has been agreed upon by the members of the United Nations Development Group (UNDG). UN agencies are strongly discouraged from agreeing between themselves to variations to this standard template.

NOTE ON HOW TO FILL IN THE AGREEMENT

This agreement is to be used among UN agencies when one UN agency contributes funds to another UN agency for specific activities. The content of the agreement has been simplified in order to reduce transaction costs and improve efficiency. The agreement inserted flexibility where needed and included some options when different options are available.

This note provides additional guidance on some specific provisions of the agreement specified below.

D. Reporting

1. Narrative report:

If the contribution is for a time-bound activity, such as a workshop or training for instance, the parties can agree to consider the final delivery, such as the report of the workshop or training, as being the narrative report. This should be discussed and agreed between the parties and indicated under this section of the agreement.

2. Financial report:

If the contribution concerns activities exceeding one year, the parties should agree on annual financial report(s) in addition to the final financial report. The reporting requirements must be agreed before the signing of the agreement and listed under this provision.

F. INTELLECTUAL PROPERTY RIGHTS

Keep the standard provision in the agreement as and when necessary. However, such clause may not be relevant to certain activities. In case of doubt, please refer to your respective financing agreement specialist.

K. REFUNDS OF UNSPENT BALANCES

With regard to the return of unspent balances, agencies which allow for retention of up to USD 1,000 of the unspent balances should opt for the first option. Other agencies, which require the return of the full amount of the unspent balances, should opt for option 2.

Please ensure to annex the project document, work plan or relevant programmatic document describing the activities to be carried out and the budget.

Please delete this note and any footnotes after completing this document. The Agreement starts from the next page.

UN AGENCY TO UN AGENCY CONTRIBUTION AGREEMENT

A. SUMMARY OF ACTIVITIES

Title: (the “Activities”)

Reference: (Project ID)

Start/End Dates: Activities start date: [date of receipt of funds]
Activities end date:

Location: xxx

Contribution Amount: (the “Contribution”)

Contributing Agency: [full name of the agency] (“[NAME OF AGENCY]”)

Recipient Agency: [full name of the agency] (“[NAME OF AGENCY]”)

Nature of Activities: xxx

Purpose [Short description of the Activities (if applicable, a detailed description of the Activities, the work plan and the budget are attached)]

Annexes: In the event that the terms contained in Annex(es) are incompatible with those contained in this Agreement, then the latter shall govern and prevail.

[List Annex(es), if any]

Expected outcome: xxx

The Recipient Agency will be fully responsible for administering the Contribution in accordance with its financial regulations, rules, policies and procedures, and administrative instructions, and carrying out the Activities efficiently and effectively.

B. BUDGET

The total budget for the Activities is [_____], in USD, as more fully described below and in Annex B.

Summary of activities and BUDGET ¹	Annual (Years 1, 2, X)	Total (all years)
Total programmable amount, including direct costs		
Indirect support costs		
Grand total		

The Contributing Agency will not be responsible for any financial commitment or expenditure made by the Recipient Agency that exceeds the budget for the Activities. The Recipient Agency will promptly advise the Contributing Agency any time when the Recipient Agency is aware that the budget to carry out these Activities is insufficient to fully implement the Activities in the manner set out in the present Agreement, including its Annex(es). The Contributing Agency will have no obligation to provide the Recipient Agency with any funds or to make any reimbursement for expenses incurred in excess of the total budget as set forth herein.

C. COSTS RECOVERY

The Recipient Agency’s support costs, determined in accordance with its cost recovery policy, will be paid from the Contribution, in accordance with the budget.

D. REPORTING

Narrative reporting:

The Recipient Agency will provide the Contributing Agency with a narrative report on the progress of the Activities on a regular basis, as set out below.

- (i) A Progress (Milestone Narrative) Report every six (6) months for the period ending on 30 June and 31 December in accordance with Annex C1 within thirty (30) calendar days after the specified dates. The first report is to be submitted for the period ending on (date) by (date).
- (ii) A Final Narrative Completion Report at the close of the project in accordance with Annex C2 within ninety (90) calendar days after the close of the Activities.

Financial Reporting:

The Recipient Agency will provide the Contributing Agency with the following financial reports, prepared in accordance with the Recipient Agency’s financial regulations, rules, policies, procedures, and administrative instructions:

- (i) An Interim Financial Report every six (6) months for the period ending on 30 June and 31 December in accordance with Annex C3.1 within thirty (30) calendar days after the specified dates. The first report is to be submitted for the period ending on (date) by (date).
- (ii) A Final Financial Report at the close of the Activities in accordance with Annex C3.2 within ninety (90) calendar days after the close of the Activities.

E. CONTRIBUTIONS

The total amounts paid by the Contributing Agency shall match the total budget amount. For Activities less than one year in duration the Contribution will be paid to the Recipient Agency prior to the commencement of Activities. For multi-year Activities the Contribution will be paid in instalments according to the following schedule.

Schedule of payment:

[date (Date-month-year)]	[amount]
[date(Date-month-year)]	[amount]

The Contributing Agency acknowledges that the Recipient Agency will not pre-finance Activities. If the Contribution, or any part of it, is not received in a timely manner, the Activities may be reduced or suspended by the Recipient Agency with immediate effect.

The Contribution will be paid into the following account:

Account Details: [Insert Recipient Agency account details]
Currency: US Dollars
Bank Address:

When making such transfers the Contributing Agency will notify the Recipient Agency, [details] (for the Attention []), by fax ([]) or by e-mail ([]) of the following: (a) the amount transferred; (b) the value date of the transfer; (c) that the transfer is from the Contributing Agency pursuant to this Agreement.

F. INTELLECTUAL PROPERTY RIGHTS

All Intellectual Property Rights related to the Activities will belong to the Recipient Agency. The Contributing Agency and, if applicable, the relevant programme or Government will enjoy a perpetual, royalty-free, non-exclusive and non-transferable license.

G. CORRESPONDENCE

All correspondence regarding the implementation of this Agreement will be addressed to:

[Name of the Contributing Agency]:.....

Address:.....

[Name of the Recipient Agency]:

Address:.....

H. AMENDMENTS

The present Agreement, including its Annex(es), may be modified or amended only by written agreement between the two Agencies.

I. COMPLETION OF THE ACTIVITIES

The Recipient Agency will notify the Contributing Agency when all Activities have been completed.

The Recipient Agency will continue to hold any part of the Contribution that is unutilized at completion of the Activities until all commitments and liabilities incurred in the carrying out of the Activities have been satisfied and all arrangements associated with the Activities have been brought to an orderly conclusion.

J. TERMINATION OF THIS AGREEMENT

This Agreement will terminate upon satisfaction of all commitments and liabilities incurred in carrying out the Activities and the orderly conclusion of all arrangements associated with the Activities.

This Agreement may be terminated by either Agency at any time by written notice to the other. Termination will be effective thirty (30) days after receipt of the notice. In the event of termination under this paragraph, the two Agencies will cooperate to ensure completion of the Activities, satisfaction of all commitments and liabilities, and the orderly conclusion of all arrangements associated with the Activities.

K. REFUNDS OF UNSPENT BALANCES

OPTIONS:

1. Upon termination of this Agreement and following the submission of the final financial report, any unspent balance of the Contribution (where the unspent funds exceed US\$1,000) will be returned to the Contributing Agency, unless otherwise agreed in writing by the two Agencies.

OR

2. Upon termination of this Agreement and following the submission of the final financial report, any unspent balance from the Contribution will be returned to the Contributing Agency, unless otherwise agreed in writing by the two Agencies.

L. SETTLEMENT OF DISPUTES

The two Agencies will use their best efforts to promptly settle through direct negotiations any dispute, controversy or claim arising out of or in connection with this Agreement 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 Agencies.

M. ENTRY INTO FORCE AND VALIDITY

This Agreement will enter into force upon its signature by the authorized representatives of the Parties and remain in force until terminated in accordance with Section J above.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in duplicate.

Signed:

On behalf of the [Name of the Contributing Agency]:

Signed:

On behalf of the [Name of the Recipient Agency]

ANNEX A

PROJECT SUMMARY: GRANT OBJECTIVES, ACTIVITIES AND OUTPUTS

A. OBJECTIVES

- *This Section should describe the **specific objectives** for the **specific Recipient** for the **specific Grant funds** for the **specific Grant Period**.*
- *If subgrants are planned, provide specific objectives for each subgrant. Subgrantees should be listed if known, and if not, the process by which subgrantees will be determined should be described.*

B. ACTIVITIES AND OUTPUTS

- *Provide a description of the key activities/components and outputs that will be financed by the Grant funds for the specific Grant Period. Grant objectives, activities and outputs should be aligned. Use the table below and modify as appropriate*
- *If subgrants are included, provide a description of activities and outputs for each subgrant.*

Specific Objectives	Key Activities/Components	Agreed Outputs
Objective 1	Activity 1 Activity 2	<ul style="list-style-type: none">• Outputs• Outputs•
Objective 2		
Objective X		

ANNEX B

Cities Alliance
Cities Without Slums

Hosted by
UNOPS

GRANT BUDGET

- Provide a firm budget as agreed in the approved project proposal, which reflects a breakdown by the Grant activities listed in Annex B using the table below;

The Grantee agrees to spend the Grant funds according to the following budget; provided that up to 10% of the total Grant amount may be reallocated among activities and cost/expense categories listed below without requiring an amendment to the Grant Agreement; and provided further that UNOPS shall be notified of such reallocation in writing.

PROJECT BUDGET (All figures in US Dollars)								
I. PROJECT ACTIVITIES	Activity Description	Budget per expenditure category (US\$)					F (A+B+C+D+E)	Comments
		A	B	C	D	E		
		Staff Costs (Salaries & Travel)	Goods, Works & Services	Training/ Workshops/ Seminars	Dissemination costs	Equipment & Other Small Fixed Assets/Other Operation Costs	TOTAL CA grant (US\$)	
Activity 1		-	-	-	-	-	-	
Activity 2		-	-	-	-	-	-	
Activity 3		-	-	-	-	-	-	
Activity 4		-	-	-	-	-	-	
Activity 5		-	-	-	-	-	-	
Activity 6		-	-	-	-	-	-	
Activity 7		-	-	-	-	-	-	
Activity 8		-	-	-	-	-	-	
Activity 9		-	-	-	-	-	-	
Activity 10		-	-	-	-	-	-	
Activity 11		-	-	-	-	-	-	
Activity 12		-	-	-	-	-	-	
Activity 13		-	-	-	-	-	-	
Activity 14		-	-	-	-	-	-	
Activity 15		-	-	-	-	-	-	
Activity 16		-	-	-	-	-	-	
Activity 17		-	-	-	-	-	-	
Activity 18		-	-	-	-	-	-	
Activity 19		-	-	-	-	-	-	
Activity 20		-	-	-	-	-	-	
SUBTOTAL PROJECT ACTIVITIES		-	-	-	-	-	-	
II. PROJECT ADMIN & SUPERVISION								
Independent Audit							-	
Other Grant Administration/ Supervision Costs							-	
SUB-TOTAL ADMIN & SUPERVISION COSTS		-	-	-	-	-	-	
TOTAL (I+II)		-	-	-	-	-	-	
III. CO-FINANCING								
GRANDTOTAL (I+II+III)		-	-	-	-	-	-	

ANNEX C.1

GRANT PROGRESS REPORT

Please use this form to report on the implementation of the planned activities and outputs of the project and any risks and issues emerging. The Progress Report is used by the Cities Alliance Secretariat for monitoring the progress of Grant and its compliance with terms of the grant agreement and the conditionality of the disbursements.

1. Grant Data

1.1 Name of Activity:

1.2 Project No.:

1.3 Grant amount:

1.4 Project Manager:

1.5 Organisation:

1.6 Reporting period:

1.7 Expected completion date of grant:

1.8 Total received (as of date):

1.9 Total paid (as of date):

2. Grant Progresses, Lessons and Changes

2.1 Progress made during reporting period: *(Include reporting on all (i) activities and (ii) outputs specified in the grant agreement) (please include attachments for deliverables)*

2.2 Problems encountered/causes for delays/remedies during the reporting period: *(Please explain each output that is behind schedule or under target)*
(Please describe and justify any adjustments to activities and outputs made to get back on track)

2.3 Any risks (in terms of the external context, procurement and financial arrangements, ethics, negative social and environmental impacts etc.) which have emerged during the reporting period:

2.4 Please describe what ongoing measures are in place to ensure sustainability of project results

2.5 Key lessons learned during the reporting period *(with regard to project management and design, participation, partnership, scaling-up, institutionalisation, sustainability, etc.):*

2.6 Assessment of expected results/impact in relation to CA Result Framework: *(include explanation of how the reported activities and outputs are contributing to the following key results areas of the Cities Alliance – where not applicable specify N/A) (please, where possible, provide also figures e.g. X no. of people trained)*

Knowledge products and policy dialogues delivered to targeted audiences

National policy frameworks developed and/or enhanced to address urban development needs

Local pro-poor and climate-resilient strategies and plans developed, and resources mobilized

Mechanisms to engage citizens in city/urban governance developed

Capacities of cities in governance and management strengthened

2.7 Please describe progresses on your project's monitoring and evaluation activities: *(this should include M&E workshops, baselines studies, mid-term evaluations and achievement of milestones on key crosscutting indicators concerning gender equality and resilience)*

--

2.8 Description of outputs attached (if any) *(please add rows if needed):*

[Output 1 Title]	[Description/Assessment]

3. Budget and Governance

3.1 Please describe how the project delivery status, if the expenditures are on-track, any relevant budget variations across the period (in excess of 5%), budget reforecasting etc. Please describe also any challenges/opportunities with the project co-funding.

--

3.2 Please describe any changes to the governance and management arrangements of the project including implementing partners, stakeholders and other donors.

--

4. Future Planning

4.1 Provide an updated work plan for the next 6 months (anticipated

progress, problems or issues)

4.2 Describe any linkages to investments and other funding (identification of specific investment links and founding sources and amounts):

4.3. Other relevant information:

5. Feedback and Signature

5.1 Please highlight what worked well and what could be improved in the support from the Secretariat:

5.2. Project Manager Signature:

[Name and Title]

[Signature]

[Date]

ANNEX C.2

GRANT COMPLETION REPORT

Please use this form to report on the completion of the planned activities and outputs of the project as well as to assess the overall quality and performance of the project, emerging early impacts and key lessons. The Completion Report is used by the Cities Alliance Secretariat for an overall assessment of the Grant and its compliance with terms of the grant agreement.

1. Grant Data

1.1 Name of Activity:

1.2 Project No.:

1.3 Grant amount:

1.4 Project Manager:

1.5 Organisation:

1.6 Reporting period:

1.7 Completion date of grant:

1.8 Total received (as of date):

1.9 Total spent (as of date):

1.9 Any unpaid (as of date):

2. Grant Objectives and Outputs

2.1 Grant Summary: (Please provide an overall background of the issues being addressed, summary of activities and outputs and major achievements during the implementation period)

2.2 Have the developmental objectives of the grant been met? (please provide an overall assessment of the grant and the extent to which it achieved its original objectives)

2.3 Achievement of outputs/deliverables: (please describe, discuss and assess ALL the outputs and the extent to which they have been completed for each of the grant activities. Where relevant, please assess the quality and the dissemination of the outputs) (please include attachments in final copy for all outputs/deliverables produced as stated in the Grant Agreement)

2.4 Were activities and outputs implemented in accordance with plans? (for each output and activity indicate and explain differences/variations, the nature of the revisions/adjustments made and their justification)

2.5 Assessment of results in relation to the Cities Alliance Result Framework: (include explanation of how the completed activities and outputs contributed to the following key results areas of the Cities Alliance – where not applicable specify N/A) (please, where possible, provide also figures e.g. X no. of people trained)

Knowledge products and policy dialogues delivered to targeted audiences

National policy frameworks developed and/or enhanced to address urban development needs

Local pro-poor and climate-resilient strategies and plans developed, and resources mobilized

Mechanisms to engage citizens in city/urban governance developed

Capacities of cities in governance and management strengthened

2.6 Please provide a description and analysis of relevant data, studies, evaluations and performance against targets as captured by the M&E project activities (this should include specific references to disaggregated data on vulnerable groups and monitoring results for key crosscutting indicators concerning gender equality and resilience)

2.7 Key lessons learned during the project and best practices (please list and describe the most significant positive and negative lessons learned with regard to project management and design, participation, partnership, scaling-up, institutionalisation, sustainability, promotion of gender equality, etc.):

3. Impact and Sustainability

3.1 Describe how likely and for how long the outcomes of the project will be sustained after the completion of the grant:

3.2 Provide information on funds and investment mobilized:

3.3 If any, please provide information on any other relevant impact (also unintended and/or negative) that could have not been achieved in the absence of this grant financing

3.4 Follow up activities and recommendations:

4. Feedback and Signature

4.1 Self-assessment of project management effectiveness (explain what has worked and what did not and why)

4.2 Please highlight what worked well and what could be improved in the support from the Secretariat:

4.3 Project Manager Signature:

[Name and Title]

[Signature]

[Date]

ANNEX C.3



Interim Financial Report

[illegible]

ANNEX C.4

Cities Alliance
Cities Without Slums

Hosted by
UNOPS

Final Financial Report

(Project Title)									
(Recipient Name)									
Final Financial Report									
For Period from (dd/mm/yyyy) to (dd/mm/yyyy)									
(All figures in US Dollars)									
Grant Funds Available								Amount	
<i>Funds Received from the Cities Alliance During the Reporting Period</i>									
<i>Interest earned on Cities Alliance Funding During the Reporting period</i>									
Total Grant Funds Available for the Reporting Period								-	
Agreed Activities	I	II - Cumulative Expenditures						III (I-F)	Exchange rate applied
	Total CA Approved Project Budget	A Staff Costs (Salaries & Travel)	B Consulting Services (Fees & Travel)	C Training/ Workshops/ Seminars	D Dissemination costs	E Fixed Assets/ Other Operating	F (A+B+C+D+E) Cumulative Spend at the end of Reporting	Variances	
I. PROJECT ACTIVITIES									
							-	-	
							-	-	
							-	-	
							-	-	
							-	-	
							-	-	
							-	-	
							-	-	
							-	-	
							-	-	
							-	-	
							-	-	
							-	-	
							-	-	
							-	-	
							-	-	
							-	-	
							-	-	
							-	-	
SUB TOTAL PROJECT ACTIVITIES	-	-	-	-	-	-	-	-	
II. PROJECT ADMIN & SUPERVISION									
<i>Independent Audit</i>							-	-	
<i>Other Grant Administration Costs</i>							-	-	
<i>Project Management/Supervision Costs</i>							-	-	
SUB-TOTAL ADMIN & SUPERVISION COSTS	-						-	-	
III. TOTAL EXPENDITURE (I+II)		-	-	-	-	-	-	-	
IV. Cities Alliance TOTAL Approved Project Budget	-								
V. Variances (IV-III)		-	-	-	-	-			
Closing Fund Balance							-		
Prepared by (Name & Signature):									Authorized Signatory (Name & Signature):

ANNEX C.5

Cities Alliance
Cities Without Slums

Hosted by
UNOPS

Social and Environmental Screening Report

Projects are screened for their inherent social and environmental risks regardless of planned mitigation and management measures. It is necessary to identify potential inherent risks in the event that mitigation measures are not implemented or fail. This means that risks should be identified as if no mitigation or management measures were to be put in place.	
SECTION A: General Information	
Date of screening	
Project title	
Proposed project budget	
Proposed project duration	
Implementing BU	
Project manager/ Developer	
Officer responsible for social & environmental screening	
Brief outline of the project scope	
Service line	
Role	
Site/No site	
Does the project need to screen?	