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United Nations Fund for International Partnerships

Report of the Secretary-General

Summary

During the fifty-second session of the General Assembly, the Fifth Committee discussed on 23 March 1998 the question of the United Nations International Partnership Trust Fund (subsequently renamed “United Nations Fund for International Partnerships”). The Committee had before it the report of the Advisory Committee on Administrative and Budgetary Questions on the Trust Fund (A/52/7/Add.9).

Based on its deliberations, the Assembly adopted decision 52/466 of 31 March 1998, in which it took note of the above-mentioned report and requested the Secretary-General, taking into account the comments made in the Fifth Committee (see A/C.5/52/SR.55), to report to it on a regular basis on the activities of the Trust Fund and other related matters. The present report is submitted in response to that request. It describes the establishment of the Fund, the agreement between the United Nations and the United Nations Foundation, Inc., and the establishment of the Fund’s Advisory Board, as well as projects approved for funding by the Foundation as of mid-September 1998.

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I. Introduction

1. On 18 September 1997, Mr. Robert Edward Turner III, Co-Chairman of Time Warner, Inc., announced his intention to make a generous and historic gift in support of United Nations causes. Mr. Turner's planned gift would not exceed 18 million shares of Time Warner stock, which on the date of the announcement had a value of \$1 billion. From this stock, Mr. Turner intended to make 10 annual gifts valued at approximately \$100 million each or cash totalling the same amount, up to \$1 billion.

2. The Secretary-General warmly welcomed this extraordinary gift, which would be drawn upon to assist and support the United Nations in achieving the goals and objectives of the Charter of the United Nations through programmes and projects the United Nations would undertake. The gift is intended to represent a new and additional financial resource that would supplement the regular, assessed or voluntary-funded programmes of the United Nations. Funding contributions are made through the United Nations Foundation, Inc., a public charity established by Mr. Turner in early 1998.

II. Establishment of the United Nations Fund for International Partnerships

3. Following Mr. Turner's announcement, discussions between the United Nations and Mr. Turner's representatives began concerning the arrangements that would be required for programming the planned gift over a 10-year period. This important initial series of negotiations produced what came to be known as a "concept paper" on Mr. Turner's gift that the Secretary-General made available to the Chairman of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) in a letter dated 30 January 1998 (A/52/7/Add.9, sect. A). In that letter, the Secretary-General outlined his reasons for planning to establish a trust fund — the United Nations International Partnership Trust Fund¹ — to coordinate, channel and monitor contributions from the United Nations Foundation, Inc., to be headed by an Executive Director at the level of Assistant Secretary-General who would report directly to the Secretary-General.

4. Subsequent to ACABQ consideration of the Secretary-General's January 1998 letter together with the concept paper, the Chairman of the Advisory Committee addressed a letter dated 12 February 1998 to the Secretary-General on the subject (A/52/7/Add.9, sect. B). Among the issues raised in that communication, a number of requests were made by

the Chairman on behalf of the Committee, namely, that the text of the relationship agreement between the Foundation and the United Nations, which was in the process of being finalized, be made available to the Committee before it was signed; that staffing information, including job descriptions, be provided to the Committee, together with a complete administrative budget for the Trust Fund; and that all subsequent administrative budgets also be submitted to ACABQ for its prior concurrence on an annual basis. The Committee also requested that the budget be accompanied by appropriate information on the substantive activities of the Trust Fund.

5. Concerning the level of the post of the Executive Director of the United Nations Fund for International Partnerships (UNFIP), the Advisory Committee concurred with the Secretary-General's proposal that the post be at the Assistant Secretary-General level, with the proviso that that level would be subject to review for the period after 31 December 1999 in the context of the Committee's examination of the administrative budget of the Trust Fund for the year 2000.

6. On 1 March 1998, the Secretary-General established UNFIP as an autonomous Trust Fund to interface with the United Nations Foundation, Inc. UNFIP is designed as a small operation, and is headed by an Executive Director who reports to the Secretary-General. In addition to the Assistant Secretary-General, the staffing of the Trust Fund office consists of one Director-level official, six Professionals and five General Service staff.

7. Member States are advised that at its May session, ACABQ considered the administrative budget of UNFIP for the period 1 March to 31 December 1998. The Committee also considered the draft relationship agreement between the United Nations and the United Nations Foundation, Inc. During its deliberations on UNFIP, the Committee met with representatives of the Secretary-General, who provided additional information, as required.

8. Regarding the question of posts, ACABQ was informed that recruitment for all the posts envisaged would be in accordance with normal United Nations procedures. It was the understanding of the Committee that a number of staff were already on board and that their costs, currently borne by the United Nations, would be reimbursed from the Trust Fund. The Advisory Committee was also informed that the Director-level post (D-2) envisaged within UNFIP was to be funded by the United Nations Development Group. The Committee questioned the arrangement by which this particular post would be funded, and requested the Secretary-General to review the matter and provide additional

clarifications to the Committee when it would take up the matter at its next session. ACABQ also recalled that it intended to review the level of the post of the Executive Director of the Trust Fund at a future date.

9. With respect to the draft relationship agreement between the United Nations and the Foundation, ACABQ noted that no specific amount or pledge was mentioned in the agreement. However, the Foundation would provide an advance of \$500,000 at the beginning of each calendar year against the administrative costs of UNFIP and a further advance amount to be mutually agreed upon, which would be provided at the beginning of the second half of each year. Given that a standard 15 per cent operating reserve (which would normally have generated interest and partially defrayed administrative costs) was not envisaged for the Trust Fund, the Advisory Committee cautioned that every effort should be made to ensure that a steady and dependable cash flow is maintained.

10. ACABQ noted that within the draft agreement, the ceiling for project support costs was set at 6 per cent. The Advisory Committee was informed that of that amount, 1 per cent would cover administrative costs of UNFIP and 5 per cent for the implementing agencies. The Advisory Committee also noted that the draft agreement did allow for some negotiation of those costs. ACABQ pointed out that project support costs have been known to range from 5 to more than 18 per cent, based on the requirements of each individual project, as well as the policies set by each executing agency and approved by its legislative body. Although the Committee appreciated the effort to limit the level of support costs, it trusted that existing policies, as well as the practical needs of the executing agencies, would be taken fully into account. The Committee recalled its suggestion in its February 1998 letter to the Secretary-General that each project document should clearly indicate the backstopping costs associated with the implementation of the activity concerned.

11. The Advisory Committee noted from the draft agreement that UNFIP would be administered in accordance with the Financial Regulations and Rules of the United Nations. The Committee also noted that the draft text referred to the fact that audit would be conducted in accordance with those same Regulations and Rules. It was the Committee's understanding that an audit of the Trust Fund would be carried out by the Board of Auditors in the normal course of the Board's overall audit of all trust funds, and that no separate audit would be undertaken for this Fund. Specifically, with respect to the reporting mechanism outlined in the draft agreement, the Advisory Committee recommended that every effort be made to avoid too cumbersome a reporting mechanism and to minimize resources for that purpose.

12. The Committee stressed that it is important to maintain with absolute clarity the principle that the United Nations cannot in any way, either directly or through implication, be subject to the requirements of national law. Accordingly, it requested that a specific paragraph of the draft agreement be renegotiated, and provided the language that the Committee felt should be reflected in the final version of the agreement. The General Assembly may wish to note that that change was subsequently introduced to the text of the agreement between the United Nations and the Foundation. Details of the final version of the relationship agreement are provided below.

III. Relationship agreement between the United Nations and the United Nations Foundation, Inc.

13. The agreement between the United Nations and the United Nations Foundation, Inc. was signed at United Nations Headquarters on 12 June 1998. This critical document evolved from the original concept paper referred to in paragraph 3 above; it delineates the responsibilities of the United Nations, in particular UNFIP, and of the Foundation in this important and historic joint effort. The agreement describes, among other things, the role of UNFIP and its relationship with the United Nations Foundation, Inc.; the steps involved in the identification of projects and activities to be funded; the handling of contributions by the Foundation; and the reporting requirements involved in the monitoring and implementation of projects and activities. The agreement also refers to such issues as fund-raising, the use of the name and official emblem of the United Nations, the status of the parties to the agreement, the resolution of disputes, the privileges and immunities of the United Nations in relation to the agreement, and the term of the agreement. The text of the agreement is contained in annex I.

IV. Advisory Board of the Fund

14. In accordance with the relevant sections of the agreement between the United Nations and the United Nations Foundation, Inc., as well as the earlier concept paper concerning the gift of Mr. Turner, the Secretary-General established an advisory board to assist him in his review of proposals received by UNFIP for funding by the Foundation.

15. Unless otherwise decided by the Secretary-General, the UNFIP Advisory Board is responsible for the following functions:

(a) To provide broad policy guidance to the Secretary-General and monitoring of the operations and activities of UNFIP;

(b) To advise the Secretary-General in the review of project proposals, particularly with regard to the appropriateness of the projects to be proposed by the United Nations to the Foundation for funding and support, as well as the capacity and capability of the United Nations system to deliver the outputs and results proposed in such project proposals. In this regard, the Advisory Board shall:

(i) Assist the Secretary-General in such review in the light of criteria established by the United Nations and the Foundation for approval of such project proposals, such as urgency, effectiveness, innovation, forward-looking orientation and availability of funding from other sources;

(ii) Consider unity of focus and technical compliance with United Nations aims and objectives;

(iii) Assist UNFIP in ensuring that project proposals to be funded and supported by the Foundation are in conformity with the goals, policies, aims and objectives of the United Nations, in particular with the goals and objectives of the Agenda for Development and recent United Nations global conferences, and that they take full account of programming mechanisms, such as national development plans and priorities, country strategy notes and United Nations Development Assistance Frameworks;

(iv) Ensure that project proposals to be funded and supported by the Foundation are in conformity with the orientation of the Secretary-General's reform programme;

(c) To contribute to identifying projects and activities that are suitable to be funded and supported by the Foundation, based on new developments and factors that may arise from time to time.

The Secretary-General, having received the advice of the Advisory Board, decides on projects and activities to be proposed to the Foundation for funding and support.

16. The Members of the Advisory Board, including ex officio members, are appointed by the Secretary-General and serve for a term of two years following their appointment, unless otherwise decided by the Secretary-General. The

Executive Director of UNFIP serves on the Advisory Board as an ex officio member.

17. The Advisory Board is chaired by the Deputy Secretary-General, and is composed of 10 other members, who serve in their personal capacity. The following members have been appointed by the Secretary-General for the period 1998 to 2000: Ambassador Bagher Asadi, Chairman of the Second Committee of the General Assembly;² Dr. Lincoln C. Chen, Vice-President, the Rockefeller Foundation; Mr. Joseph E. Connor, Under-Secretary-General for Management, United Nations; Mr. Nitin Desai, Under-Secretary-General for Economic and Social Affairs, United Nations; Mr. Richard Jolly, Special Adviser to the Administrator of the United Nations Development Programme; Ms. Mary Oakes Smith, Manager, Africa Region, the World Bank; Ambassador Juan Somavia, President of the Economic and Social Council;² Mr. Franklin A. Thomas, Head of the Ford Foundation Study Group; Mr. Sergio Vieira de Mello, Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator, United Nations; and Mr. Miles Stoby (ex officio), Executive Director of UNFIP, United Nations.

18. To date, the UNFIP Advisory Board has held four meetings (27 April, 10 July, 1 September and 19 October 1998).

V. Funding rounds

19. Since the establishment of UNFIP on 1 March 1998, two funding rounds have been completed, in May and September 1998, with the third funding round expected to reach completion in January 1999. As of mid-September 1998, a total of 39 projects in the amount of some \$55 million and involving 14 individual United Nations entities, including United Nations funds and programmes and specialized agencies, have been approved for funding by the United Nations Foundation, Inc. A breakdown of approved projects by theme, region and agency is contained in annex II. The projects respond to the broad thematic areas identified to date by the Foundation: women and population; environment; children's health; and other priorities, including institutional strengthening. This portfolio of approved project assistance is distributed across five geographic regions — Africa, Asia and the Pacific, Latin America and the Caribbean, the Middle East, and Europe and the Commonwealth of Independent States countries. The projects are both Headquarters generated, with multi-country implications, and generated from programme countries directly.

First funding round

20. Both the Foundation and UNFIP were established after the first solicitation for project proposals was sent out by the United Nations Secretariat in late November 1997. Such invitations had been restricted to United Nations departments, funds and programmes, and were based on broad criteria calling for innovative, proactive and forward-looking project submissions. At the time, there had not been the benefit of an entity comparable to UNFIP that could signal to interested United Nations organizations what the specific priority thematic areas of interest to the Foundation were or that could provide guidance in that funding effort. The initial solicitation for projects for the first tranche of 1998 resulted in the receipt by the Secretariat of 99 requests in the form of executive summaries amounting to approximately \$240 million. Of those, 28 were selected from a culled list as generally corresponding to the Foundation's programme priorities and the mandates of the United Nations system for submission to the UNFIP Advisory Board. On 20 May 1998, the Foundation announced its approval of 22 of the projects, totalling \$22.2 million, distributed along the following thematic percentage lines: women and population (42 per cent), children's health (30 per cent), other areas (22 per cent) and environment/climate change (6 per cent).

Second funding round

21. In preparation for the second tranche of 1998, the Foundation/UNFIP guidelines and selection criteria for project proposals were further refined, and UNFIP introduced a "concept review" stage, whereby the UNFIP secretariat initially solicited project concepts, rather than fully fledged proposals. In the case of meritorious project concepts, relevant United Nations organizations would then be invited to provide duly completed project request forms (PRFs). In addition, the United Nations system at large was approached and not only United Nations departments, programmes and funds. This process resulted in the receipt of 242 project concepts from 37 United Nations departments, funds, programmes and specialized agencies. This array of concepts was subsequently culled, and fully fledged PRFs were requested by the UNFIP secretariat for 30 project proposals from 17 United Nations funds, programmes and agencies. Of these, 27 were endorsed by the UNFIP Advisory Board for consideration by the Foundation. On 24 September 1998, the Foundation announced its approval of grants totalling \$32.9 million for 17 projects involving 11 United Nations organizations, distributed along the following thematic percentage lines: children's health (43 per cent), women and population (28 per cent), environment/climate change (16 per cent) and other areas (13 per cent).

Third funding round

22. With respect to the third tranche, the UNFIP secretariat solicited project concepts from the United Nations system and received a total of 189 concept papers as of 1 September 1998. From the culled list of such project concepts, UNFIP recommended to its Advisory Board that 46 concept papers submitted by 16 United Nations departments, funds, programmes and specialized agencies would merit development as PRFs for review by the Board at its meeting in early December 1998. The final decision on project approval on the part of the Board of Directors of the Foundation will be made at their next meeting, scheduled for the second half of January 1999.

23. Concerning future funding considerations beyond this first year of activity and anticipated annual funding levels, the United Nations Foundation, Inc. expects to award approximately \$80 million per year to programmes meeting its funding criteria. Approximately \$96 million a year of new programming is expected to be developed annually (120 per cent of the award target) to ensure \$80 million worth of successful projects.

VI. Conclusion

24. As of September 1998, eight months have transpired since the establishment by the Secretary-General of the United Nations Fund for International Partnerships (UNFIP). Within a short period of time, a significant amount of work has been accomplished at a remarkable pace by UNFIP, collaborating closely with the Foundation. In those few months of existence, the relationship agreement between the United Nations and the Foundation has been negotiated and concluded. A small, carefully selected group of Professional and supporting staff has been assembled to carry out within an extraordinarily finite time-frame an impressive body of work that will probably amount to a net worth of \$80 million of United Nations projects worldwide by the time that the first year of operation has come to an end. As mentioned above, two funding rounds have been successfully completed, with the third round expected to conclude in January 1999. To date, over 520 proposals have been received and analysed by the UNFIP secretariat, 55 full project proposals have been recommended for funding by the Secretary-General and his Advisory Board, and a total of 39 projects in the amount of some \$55 million has been ultimately approved by the Foundation. An Advisory Board has been put in place and four meetings have been organized. The active and dedicated

Advisory Board has played a very important and critical role in advising the Secretary-General and guiding the UNFIP secretariat in this unique venture.

Notes

¹ The name of the Trust Fund was subsequently modified to "United Nations Fund for International Partnerships".

² The General Assembly may wish to note that since members of the Advisory Board serve in their personal capacity, by definition the individuals appointed as Chairman of the Second Committee of the General Assembly and as President of the Economic and Social Council will serve for a period less than the two-year period of the other Board members. In the case of the Chairman of the Second Committee, for example, Ambassador Oscar de Rojas served on the Secretary-General's Board while Chairman during the fifty-second session of the General Assembly; the current Chairman is Ambassador Bagher Asadi, who will therefore serve on the Board until the completion of his term as Chairman of the Committee during the fifty-third session of the Assembly. Similarly, once the new President of the Economic and Social Council for 1999 is elected, that individual will replace Ambassador Juan Somavia on the Advisory Board.

Annex

Agreement between the United Nations and the United Nations Foundation, Inc.

AGREEMENT between the UNITED NATIONS, an international intergovernmental organization founded by its Member States pursuant to the Charter of the United Nations signed in San Francisco on 26 June 1945 and having its Headquarters in New York, New York, USA, and the UNITED NATIONS FOUNDATION, INC. (hereinafter “the Foundation”), a not-for-profit corporation organized under the laws of the State of New York of the United States of America, and having offices located in Washington, D.C. and New York, New York.

WHEREAS, one of the main goals and objectives of the United Nations is to achieve international cooperation in solving international problems of a developmental, humanitarian and environmental character;

WHEREAS, in furtherance of this goal and objective, the Foundation desires to provide financial and other support to exclusively charitable United Nations projects and activities consistent with the goals and objectives of United Nations and relevant United States laws and regulations; and

WHEREAS, the United Nations and the Foundation desire to cooperate in regard to activities of the Foundation and the United Nations for these purposes.

NOW THEREFORE, the parties agree as follows:

I. PURPOSE

1. Mutual Cooperation

The United Nations and the Foundation agree to work together to achieve the goals and objectives of the Charter of the United Nations through implementation of innovative, forward-looking and pro-active projects and activities that make contributions to the collective future and well-being of the planet.

2. Funding from the Foundation

- (a) Subject to the terms and provisions of this Agreement, the Foundation will: (i) provide grants to the United Nations to assist and support the United Nations in achieving the goals and objectives of the Charter of the United Nations; (ii) undertake fund raising in support of United Nations projects and activities; and (iii) otherwise engage in or provide financial support to projects and activities designed to increase public awareness and support for the United Nations. The United Nations and the Foundation understand that funds received by the United Nations from the Foundation are intended to supplement the regular, assessed or voluntary funded programmes of the United Nations, its departments, funds, programmes and specialized agencies.
- (b) The term grant as used in this Agreement shall mean voluntary contributions, gifts or donations for a particular purpose, activity or project, as approved by the Foundation pursuant to this Agreement.

II. TRUST FUND

3. The United Nations agrees to establish the United Nations Fund for International Partnerships (hereinafter “UNFIP”), with the Secretary-General as Chief Executive Officer, which, unless otherwise agreed, is to receive grants exclusively from the Foundation. UNFIP is to provide a central mechanism to facilitate the organization, execution, monitoring and reporting for projects and activities funded by the Foundation. The mechanism will bring together project funding opportunities from the complex and diverse United Nations system, in accordance with the goals, objectives and programme priorities of the Foundation. Towards these ends, the parties agree that UNFIP will provide a central administrative vehicle within the United Nations for working with the Foundation to identify and select projects and activities, receive and distribute funds for such projects and activities, and monitor and report on the use of such funds. It is also understood that UNFIP will have responsibility for final project formulation. UNFIP will be administered in accordance with the Financial Regulations and Rules of the United Nations.
4. Working with the Foundation, UNFIP will ensure the formulation of a coherent programme for the projects and activities to be recommended for funding by the Foundation, and will provide unity of focus, reporting and streamlining of efforts and agility in responding to the pressing needs of the international community. It is understood that in conducting their work, UNFIP and the Foundation will regularly consult each other.
5. UNFIP and the activities and projects financed through UNFIP and expenditures for such projects and activities shall be subject to the regulations, rules and directives of the United Nations, as appropriate. The Foundation, as a not-for-profit corporation organized under the laws of the State of New York of the United States of America, is subject to and governed by the requirements of United States domestic laws and regulations, applicable to the Foundation’s operations and grants.
6. UNFIP will seek to ensure that projects proposed to the Foundation for funding are in conformity with the Foundation’s strategic objectives and take into account the goals and objectives of the Agenda for Development and recent United Nations global conferences and such other matters such as national development plans and priorities, country strategy notes and the United Nations development assistance frameworks.

III. IDENTIFICATION OF PROJECTS AND ACTIVITIES TO BE FUNDED

7. The parties agree that:
 - (a) The Foundation will be informed periodically and at least once a year by the Secretary-General on the range of opportunities for funding. The information will be illustrative of the scope and nature of the projects and activities of the United Nations, its departments, funds, programmes and specialized agencies, and will focus on the programme priorities identified by the Foundation.
 - (b) The Foundation, at the Foundation’s expense, may supplement the Secretary-General’s information with field visits to United Nations components, coordinated with UNFIP, to gain first-hand knowledge of needs and capabilities.
 - (c) The Foundation, in consultation with UNFIP, will prepare periodic strategy documents indicating the range of interests, projects and activities the Foundation wishes to fund, which is to form the basis for consideration of project submissions. It is understood that the Foundation will have responsibility for final formulation of its programme priorities.

- (d) The Secretary-General will invite project submissions from United Nations departments, funds, programmes and specialized agencies, involving, as appropriate, implementing partners (which may include NGOs) to respond to the programme priorities identified by the Foundation.
 - (e) UNFIP and the Foundation will work together in programme development consistent with the priorities set by the Secretary-General and the Foundation.
 - (f) The Foundation and UNFIP may identify new projects and activities at any time based on new developments.
- 8. (a) On behalf of the Secretary-General, the Executive Director of UNFIP will review and evaluate all proposals, on a quarterly basis unless otherwise mutually agreed.
 - (b) Based on this assessment, a consolidated project planning document of all proposed projects will be prepared for the Secretary-General who will determine the appropriateness of the projects to be proposed to the Foundation and the capacity and capability of the UN system to deliver on these projects.
 - (c) Proposals will be reviewed in the light of criteria such as urgency, efficiency, effectiveness, innovation, involvement of civil society, forward-looking orientation and availability of funding from other sources.
- 9. An Advisory Board will be established to assist the Secretary-General in the review of proposals received by UNFIP.
 - 10. The Secretary-General, having received the advice of the Advisory Board, will decide on projects and activities to be submitted to the Foundation for consideration. In submitting projects and activities to the Foundation, the Secretary-General will provide supporting documentation as necessary and appropriate.
 - 11. The Foundation will review these proposed projects and activities for responsiveness to its goals and objectives. The Secretary-General, or the Secretary-General's designated representative, and programme managers would be available, as appropriate, for discussion with the Foundation, which can include discussion of the consolidated project planning document.
 - 12. The Foundation will make the decisions as to whether or not to proceed with approval of proposed projects or activities. Following a decision by the Foundation to approve a proposed project or activity, UNFIP, upon receipt of funding, will authorize the commencement of project execution and implementation as provided in project documents for each approved project and activity.

IV. CONTRIBUTIONS BY THE FOUNDATION

- 13. Grants from the Foundation will be channelled through UNFIP and disbursed to the United Nations departments, funds, programmes and specialized agencies as well as implementing partners (which may include NGOs) in accordance with project documents, approved policies and procedures, and this Agreement.
- 14. As may be agreed from time to time by the parties, all grants provided by the Foundation to the United Nations shall be in the form of cash, denominated in the currency of the United States of America or in the form of stock or other financial instruments denominated in such currency. Unless otherwise agreed by the parties, an appropriate portion of any such stock or other financial instrument shall be used to defray the actual costs and expenses of the United

Nations associated with any receipt or conversion of such stock or financial instrument into currency of the United States of America.

15. UNFIP will develop a rolling cash flow forecast, on a quarterly basis unless otherwise agreed, based on the projects and activities approved by the Foundation for funding through UNFIP. This cash flow forecast will form the basis for quarterly payments by the Foundation, with the understanding that these payments will not exceed the annual maximum amount of all grants approved by the Foundation for all projects or activities funded through UNFIP.
16. The parties agree that reasonable identified administrative costs for the administration of UNFIP will be reimbursed by the Foundation which, unless otherwise agreed, will not exceed one per cent (1%) of the amounts channelled through UNFIP by the Foundation. The Foundation will provide an advance of \$500,000 at the beginning of each calendar year against the expected administrative costs of UNFIP. A further advance amount to be mutually agreed upon will be provided at the beginning of the second half of the year. Both of these payments will be within the foregoing percentage limitation and adjusted after the conclusion of the year. The parties further agree that these administrative costs are exclusive of the project support costs normally associated with each individual project or activity submitted for consideration by the Foundation which, unless otherwise agreed, are not to exceed six per cent (6%) of the total funding approved for each project or activity.

V. MONITORING AND IMPLEMENTATION: REPORTING REQUIREMENTS

17. The Secretary-General will report regularly regarding the activities of UNFIP.
18. UNFIP shall be responsible for monitoring and reporting to the Foundation on the progress of projects and activities funded by the Foundation, including the use and application of grants received from the Foundation in regard to such projects and activities.
19. The Secretary-General will present to the Foundation a comprehensive annual report on the status of implementation of the projects and activities funded by the Foundation to ensure that project goals and objectives are attained. The reports, which will be subject to audit conducted in accordance with UN Financial Regulations and Rules, will contain financial and substantive performance data for each individual project and activity approved for funding to enable the United Nations and the Foundation to follow progress on outputs and outcomes in order to determine the efficiency and effectiveness of projects and activities, which in turn will facilitate making recommendations for change, if necessary or appropriate.
20. The Foundation will be provided with reports in prescribed formats (which formats, may be modified from time to time as mutually agreed by the parties) on a semi-annual basis which will inform the Foundation currently as to progress being made in project execution, which in turn will facilitate making recommendations for change, if necessary or appropriate.
21. The Foundation shall have the right to monitor and evaluate the progress and implementation of projects and activities funded by the Foundation. Monitoring may include field visits by the Foundation at its own expense, arranged in coordination with UNFIP, to observe such projects and activities and to hold discussions with personnel connected with those projects and activities.
22. The Secretary-General, or the Secretary-General's representative, will assist the Foundation, as appropriate, in developing annual and other periodic reports. Consistent with its status as an international organization, the United Nations will assist in the Foundation's efforts to obtain information needed on a timely basis by the Foundation to meet U.S. governmental and legal regulatory requirements affecting the Foundation.

23. The Foundation shall provide annual financial statements to the United Nations certified by the Foundation's independent auditors, as well as any reports that the Foundation is required to submit under United States laws and regulations.
24. The United Nations and the Foundation acknowledge that project accountability and compliance with laws, rules, regulations and directives, as applicable to each party, is necessary for successful implementation and operations under this Agreement. Accordingly, the United Nations and the Foundation agree to cooperate in implementing and monitoring project oversight and evaluation procedures and policies to provide full and accurate accountability and compliance with project documents for approved projects and activities and to comply with laws, rules, regulations and directives which may be applicable to each party.

VI. FUNDRAISING

25. The parties agree to work together to plan and promote fundraising and other activities to be carried out by the Foundation, its officers, and employees in furtherance of this Agreement. Such efforts shall be conducted in a manner that respects the dignity, international character and status of the United Nations. Due care will be taken to avoid confusion in the minds of contributors between the activities of the Foundation and the activities of other charitable entities in which the officers and employees of the Foundation may be involved.

VII. USE OF NAME AND OFFICIAL EMBLEM OF THE UNITED NATIONS

26. Except as has already been provided in regard to the Articles of Incorporation filed by the Foundation with the New York Department of State (Annex 1)* and as provided herein, the Foundation shall not use the name of the United Nations, or any abbreviation thereof, or the emblem of the United Nations, or a modification thereof, for any purposes whatsoever without the prior written approval of the United Nations. Any use of the name or emblem of the United Nations shall be solely as approved by the United Nations in accordance with this Agreement.
27. In addition to the use of the United Nations name as provided under its Articles of Incorporation, the Foundation is authorized to use the United Nations name, as incorporated in the name of the Foundation as set out in Annex 2,* on its stationery and publications or other communications with the public.
28. The Foundation shall refrain from any action which may adversely affect the United Nations or its interests. To this end, and except as otherwise provided, the Foundation will seek the approval of the United Nations regarding the use of the name and emblem of the United Nations, particularly in regard to activities by for-profit entities involving support for or sponsorship of the activities of the Foundation or of the United Nations.

VIII. STATUS OF PARTIES

29. The parties hereby acknowledge and agree that the Foundation is an entity established under United States law and separate and distinct from the United Nations and that it shall not be considered, for any purposes whatsoever, as having a legal status connected with or dependent upon the United Nations. The personnel, agents or contractors of the Foundation shall not

* The annexes to the agreement are available for consultation in the files of the Secretariat.

be considered in any respect or for any purposes whatsoever as being the employees or agents of the United Nations, nor shall any personnel, representatives or other affiliates of the United Nations be considered, for any purposes whatsoever, as being employees or agents of the Foundation.

IX. REVIEW OF ARRANGEMENTS

30. The parties agree that they will periodically review operations and activities under this Agreement.

X. RESOLUTION OF DISPUTES

31. (a) The parties, acting through their authorized representatives, shall use their best efforts to settle amicably any dispute, controversy or claim arising out of this Agreement.
- (b) Where the parties wish to seek such an amicable settlement through conciliation, such conciliation shall take place in accordance with the UNCITRAL Conciliation Rules then obtaining, or according to such other procedure as may be agreed between the parties.
- (c) If a dispute, controversy or claim between the parties arising out of or relating to this Agreement or the breach, termination or invalidity thereof has not otherwise been settled amicably within sixty (60) days after receipt by one party of the other party's request for such amicable settlement, including any request for conciliation, either party may at any time thereafter refer such dispute, controversy or claim to arbitration before a tribunal of three arbitrators in accordance with the UNCITRAL Arbitration Rules then obtaining, provided that:
 - (i) The appointing authority under Article 7 of those Rules shall be the International Chamber of Commerce (ICC), acting in accordance with the rules adopted by the ICC for this purpose.
 - (ii) The arbitration proceeding shall be held in the City of New York, State of New York, U.S.A., and the English language shall be used in the proceedings.
 - (iii) Disputes relating to the interpretation and construction of this Agreement are to be adjudicated on the basis of generally accepted principles of international law including the UNIDROIT Principles of International Commercial Contracts and, as relevant and appropriate, principles of contract interpretation and construction of New York and United States law.
 - (iv) The term "charitable" shall be defined in accordance with the relevant laws and regulations of the United States, as in effect from time to time.
- (d) The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute.

XI. PRIVILEGES AND IMMUNITIES

32. Nothing in or relating to this Agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including its principal and subsidiary organs.

XII. TERM OF AGREEMENT

33. **Effective Date:** This Agreement shall become effective upon signature by authorized representatives of the parties hereto.
34. **Expiration:** Except as may otherwise be agreed by the parties by a written amendment to this Agreement, this Agreement shall apply until expiration on 31 December 2007, unless it is terminated sooner in accordance with the terms of the Agreement.
35. **Termination:** Either party may terminate this Agreement, for any reason whatsoever, by giving the other party not less than ninety (90) days' written notice of the intention to terminate this Agreement together with a proposal both for winding up such party's individual and both parties' mutual obligations under this Agreement as well as for providing any information, reports, documentation, financial statements or other materials as may be required under this Agreement in order to wind up the parties' obligations. In any event, unless otherwise agreed in writing, this Agreement will terminate, including specifically the authorizations contained in Article VII, upon the expiration of the 90 days period provided herein.

XIII. NOTICES

36. Any notice required to be given by either party under this Agreement shall be given in writing, shall be deemed given when actually received by the other party, and shall be conveyed via first class mail, postage prepaid, or via private courier, facsimile or electronic mail, as follows:

TO THE UNITED NATIONS:

THE UNITED NATIONS FUND FOR INTERNATIONAL PARTNERSHIPS

United Nations, DC-1, Rm. 1300
New York, New York 10017
Attn: Mr. Miles Stoby, Executive Director
Telecopier: (212) 963-1486
Telephone: (212) 963-5739

TO THE FOUNDATION:

UNITED NATIONS FOUNDATION, INC.

1301 Connecticut Avenue, N.W. Suite 700
Washington, D.C. 20036
Attn: Mr. Timothy Wirth, President
Telecopier: (202) 887-9021
Telephone: (202) 887-9040

with a copy, if related to a dispute, to:

J. RUTHERFORD SEYDEL, II, ESQ.
LAWSON, DAVIS, PICKREN & SEYDEL, LLP
2500 Marquis Two Tower
285 Peachtree Center Avenue
Atlanta, Georgia 30303
Telecopier: (404) 588-0137
Telephone: (404) 588-0505

or to such changed address as either party may subsequently specify by written notice to the other.

37. This Agreement supersedes all inconsistent prior drafts, understandings or communications, oral or written, relating to the subject matter herein.

IN WITNESS WHEREOF, the undersigned duly authorized representatives of the United Nations and the Foundation respectively, have signed the Agreement in two original copies, each in the English language.

Done in New York, on 12 June 1998.

FOR THE UNITED NATIONS
(*Signed*) Hans **Corell**
Under-Secretary-General
for Legal Affairs

FOR THE FOUNDATION
(*Signed*) Timothy **Wirth**
President

Annex II

Projects approved for funding by the United Nations Foundation, Inc.

Projects approved by the United Nations Foundation, Inc. as of mid-September 1998 are identified in the tables set out below, broken down by theme, region and agency.

Glossary of acronyms/abbreviations

Themes

EN	Environment
WP	Women/adolescents/population
CH	Children and preventive health
HH	Human rights/humanitarian

Regions

AF	Africa
AP	Asia and the Pacific
AS	Arab States
LAC	Latin America and the Caribbean
E/CIS	Europe and Commonwealth of Independent States countries

United Nations funds, programmes and agencies

UNCHS	United Nations Centre for Human Settlements
UNCTAD	United Nations Conference on Trade and Development
UNDCP	United Nations International Drug Control Programme
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNIFEM	United Nations Development Fund for Women
OHCHR	Office of the United Nations High Commissioner for Human Rights
WFP	World Food Programme
WHO	World Health Organization

