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SPECIAL FUND

FINANCIAL REGULATIONS

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Explanatory note

Document SF/2, dated 22 June 1959, contained the provisional Financial Regulations of the United Nations Special Fund as adopted by the Governing Council at its Second session in May 1959 (E/3270/Rev.1).

Document SF/2/Rev.1, dated 1 September 1964, contained the Financial Regulations of the United Nations Special Fund as adopted by the Governing Council at its Twelfth session in June 1964 (E/3889).

Document DP/SF/2/Rev.2, dated 1 October 1966, reflected amendments to the Financial Regulations of the Special Fund adopted by the UNDP Governing Council at its First session in January 1966 (E/4150) and its Second session in June 1966 (E/4219).

Document DP/SF/2/Rev.3, dated 1 July 1967, reflects amendments to the Financial Regulations of the Special Fund adopted by the UNDP Governing Council at its Third session in January 1967 (E/4297) and its Fourth session in June 1967 (E/4398).

1 July 1967

FINANCIAL REGULATIONS

United Nations Development Programme - Special Fund

<u>Table of Contents</u>	<u>Page</u>
Article 1 - Definitions	5
2 - Applicability	9
3 - Financial Year	10
4 - The UNDP (SF) Account	11
5 - Custody of Funds	12
6 - Voluntary Contributions	13
7 - Counterpart Contribution	14
8 - Payments toward Local Operating Costs	15
9 - Donations	16
10 - Miscellaneous Income	17
11 - Investments	18
12 - Reserve Fund	19
12 bis - Trust Funds	20
13 - Charges against the UNDP (SF) Account	21
14 - Earmarking of Funds by the Governing Council	22
15 - Allocation of Funds by the Administrator	24
16 - UNDP Revolving Fund	26
17 - The Special Fund Share of the UNDP Administrative Budget	28
18 - Utilization, Exchange and Conversion of Currencies	29
19 - Commitments, Obligations and Expenditures	30
20 - Rates of Exchange	31
21 - Accounting for Adjustments in Exchange Rates	32
22 - Financial Procedures and Practices	33
23 - Financing and Execution of Projects by Participating and Executing Agencies	34
24 - Accounts and Financial Reports	35
25 - External Audit	37
26 - Effective Date	38

1 July 1967

Article 1 - Definitions

Article 1.1 For the purpose of these regulations, the following definitions will apply:

- (a) SPECIAL FUND hereinafter refers to the Special Fund component of the United Nations Development Programme, as established by resolution 2029 (XX) of the United Nations General Assembly.
- (b) GOVERNMENT means the government of a State which is eligible to participate in the United Nations Development Programme, that is, any of the States Members of the United Nations or members of the Participating and Executing Agencies or of the International Atomic Energy Agency.
- (c) VOLUNTARY CONTRIBUTION means the voluntary payment to the general financial resources of the Special Fund made by a participating Government in accordance with paragraphs 45 and 47 of resolution 1240 (XIII) of the General Assembly, as distinct from Governments' direct payments towards the cost of specific projects or Governments' payments relating to such assistance as may have been provided on a refundable basis.
- (d) COUNTERPART CONTRIBUTION means the cash payment or the items of services and facilities in kind provided by a recipient Government for utilization on a specific project being carried out with the assistance of the Special Fund.
- (e) PAYMENT TOWARDS LOCAL OPERATING COSTS means the cash payment by a recipient Government of amounts assessed by the Special Fund in a local currency, or in such currencies as may be specified in the plan of operation, to the UNDP (SF) Account towards certain local operating costs incurred on projects by the Special Fund.

- (f) DONATION means a gift to the UNDP (SF) Account from a non-governmental source.
- (g) PROJECT means a separately identified assistance activity requested by one or more Governments to be financed in whole or in part by the Special Fund and executed through a Participating and Executing Agency or contracted directly by the Administrator.
- (h) EXECUTING AGENCY means an entity whose services have been contracted for by the Administrator to execute projects.
- (i) PLAN OF OPERATION means the formal document covering each individual project, which is signed by the recipient Government or Governments, by the Special Fund and by the Participating and Executing Agency designated for that project, and which provides a detailed statement of the obligations of all parties involved.
- (j) RESOURCES available to the Special Fund include:
 - (1) Pledges of voluntary contributions made by participating Governments;
 - (2) Such counterpart contributions in cash as are included in gross project budgets - at the time of signature of the plan of operation or when specifically approved as such by the Governing Council;
 - (3) Recipient Governments' payments toward local operating costs to be made in respect of projects approved by the Governing Council;
 - (4) Donations from non-governmental sources, and
 - (5) Miscellaneous income which has accrued to the Special Fund.
- (k) EARMARKING means the designation and reserving of resources by the Governing Council to cover:
 - (1) The estimated full cost to completion of approved projects;

- (2) A reserve for the contingency authority granted by the Governing Council for use by the Administrator;
 - (3) Amounts authorized for transfer to the UNDP Revolving Fund for preparatory assistance in connexion with government requests for Special Fund financing and for preliminary operations in connexion with Special Fund-assisted projects prior to their approval by the Governing Council;
 - (4) A provision for the cost of preparatory assistance or preliminary operations in connexion with Special Fund-assisted projects which are not approved by the Governing Council, and
 - (5) A provision for the Special Fund share of the UNDP administrative budget.
- (1) ALLOCATION means the provision of funds by the Administrator to cover:
- (1) From the UNDP (SF) Account:
 - (i) The full cost to completion of approved projects;
 - (ii) The annual cost of preparatory assistance or preliminary operations in connexion with Special Fund-assisted projects which are not approved by the Governing Council, and
 - (iii) The Special Fund share of the UNDP administrative budget;
 - (2) From the UNDP Revolving Fund:
 - (i) The cost of preparatory assistance authorized by the Administrator, and
 - (ii) The cost of preliminary operations in connexion with Special Fund-assisted projects prior to their approval by the Governing Council.

- (m) COMMITMENT means the full amount of any legal obligation (other than that to a recipient Government or to a Participating and Executing Agency under the provisions of a plan of operation) entered into by the Administrator or by a Participating and Executing Agency within the established allocation.
- (n) TRUST FUND means a separate fund established by the Administrator with the prior approval of the Governing Council to which payments are made for specified purposes consistent with the policies, aims and activities of the Special Fund component of UNDP.

Article 2 - Applicability

Article 2.1 These regulations shall govern the financial administration of the Special Fund including that part of the UNDP Revolving Fund which is derived from Special Fund resources.

1 July 1967

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Article 3 - Financial Year

Article 3.1 The financial year shall be the period 1 January through
31 December.

Article 4 - The UNDP (SF) Account

Article 4.1 There shall be established a UNDP (SF) Account to which shall be credited all voluntary contributions, counterpart contributions in cash provided under gross project budgets, payments towards local operating costs, donations and miscellaneous income for the Special Fund and against which all payments on behalf of the Special Fund shall be charged.

Article 4.2 Payments received from Governments for such assistance as may have been provided to them on a refundable basis, in accordance with paragraph 56 of General Assembly resolution 1240 (XIII), shall be credited to the UNDP (SF) Account and shall be separately identified for reporting purposes.

Article 5 - Custody of Funds

Article 5.1 The Secretary-General shall act as custodian of the funds in the UNDP (SF) Account and shall designate the bank or banks in which such funds shall be kept.

1 July 1967

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Article 6 - Voluntary Contributions

- Article 6.1 Voluntary contributions may be pledged either on an annual basis or for a number of years.
- Article 6.2 Voluntary contributions shall be made in currency readily usable by the Special Fund consistent with the need for efficiency and economy of Special Fund operations, or convertible to the greatest possible extent into currency readily usable by the Special Fund. To this end, Governments are urged to make available as large a percentage as they may find possible of their contributions in such currency or currencies as the Administrator may indicate are required for the execution of the Special Fund programme.
- Article 6.3 Voluntary contributions shall be made without limitation as to use by specific Participating and Executing Agency or in a specific recipient country or for a specific project. No contributing Government shall receive special treatment with respect to its voluntary contribution nor shall negotiations for the use of currencies contributed to the Special Fund take place between contributing and recipient countries.
- Article 6.4 The Administrator shall, as he deems necessary, report to the Governing Council the extent to which the flexibility, efficiency and economy of Special Fund operations have been affected by restrictions which may have been maintained on the use of voluntary contributions.

Article 7 - Counterpart Contribution

- Article 7.1 Recipient Governments shall be expected to finance part of the cost of projects, normally at least that part payable in local currency. This general principle may, however, be waived by the Governing Council on the recommendation of the Administrator in the case of countries deemed financially unable to make even a local currency payment.
- Article 7.2 Counterpart contribution shall be made by recipient Governments in accordance with the provision of project plans of operation.
- Article 7.3 Counterpart contributions made in kind shall be in the form of services and facilities provided to individual projects in quantities and at times specified in the plans of operation for those projects.
- Article 7.4 Such counterpart contributions in cash as are included in gross project budgets shall be paid to the Special Fund in accordance with payment schedules specified in the plans of operation. Such funds shall be administered by the Special Fund, through its designated Participating and Executing Agencies, to provide the services and facilities specified in the plans of operation.
- Article 7.5 Such counterpart contributions in cash as are not included in gross project budgets shall be paid directly to the Participating and Executing Agency in accordance with payment schedules specified in the plans of operation. Such funds shall be administered by the Participating and Executing Agency concerned to provide the services and facilities specified in the plan of operation and the Participating and Executing Agency shall account for such funds both to the Government concerned and to the Administrator.
- Article 7.6 Counterpart contributions in cash shall normally be administered in accordance with the financial regulations, rules, policies and practices of the Participating and Executing Agency concerned.

Article 8 - Payments toward Local Operating Costs

- Article 8.1 In addition to their counterpart contributions to individual projects, recipient governments shall make payments in cash to the Special Fund toward local operating costs in accordance with payment schedules specified in the plans of operation. This latter obligation may, however, be waived by the Governing Council on the recommendation of the Administrator in the case of countries deemed financially unable to make even a local currency payment.
- Article 8.2 The Governing Council shall approve the basis for calculating assessments on recipient Governments toward local operating costs of projects.

Article 9 - Donations

- Article 9.1 The Administrator may accept donations from non-governmental sources for purposes consistent with those of the Special Fund component of UNDP, except that individual donations of a value in excess of \$10,000 shall be accepted only with the prior approval of the Governing Council. All donations accepted by the Administrator shall be reported to the Governing Council.
- Article 9.2 No limitation may be imposed by the donor on the use of donations.
- Article 9.3 Donations to the Special Fund shall be credited to the UNDP (SF) Account.

Article 10 - Miscellaneous Income

Article 10.1 All income of the Special Fund except:

- (a) Voluntary contributions;
- (b) Counterpart contributions in cash;
- (c) Payments toward local operating costs;
- (d) Donations;
- (e) Payments by Governments under Article 4.2;
- (f) Direct refunds of expenditures;
- (g) Revenue derived from the Staff Assessment Plan credited to the administrative budget of the Special Fund shall be classed as miscellaneous income for credit to the UNDP (SF) Account. Exchange adjustments as defined in Article 21 are charged or credited as miscellaneous income.

Article 10.2 Miscellaneous income accruing in the accounts of Participating and Executing Agencies may be retained by them until the end of the financial year, when it shall be transferred to the UNDP (SF) Account.

Article 11 - Investments

Article 11.1 Monies not required immediately may be invested by the Secretary-General in a manner consistent with the financial regulations and policies of the United Nations, account being taken of the objectives of the Special Fund and of the special requirements of its operations.

Article 11.2 Income from investments shall be credited to the UNDP (SF) Account as miscellaneous income.

Article 12 - Reserve Fund

Article 12.1 A reserve fund may be built up gradually by earmarking a percentage of the total contribution of each year up to an amount to be determined by the Governing Council on the recommendation of the Administrator.

Article 12.2 Advances or expenditures from such a reserve fund shall be made only for such purposes as the Governing Council may approve on the basis of recommendations from the Administrator.

Article 12 bis - Trust Funds

- Article 12 bis 1 The Administrator may establish trust funds for specified purposes consistent with the policies, aims and activities of the Special Fund component of UNDP, subject to the prior approval of the Governing Council in each case.
- Article 12 bis 2 The purpose and limits of each trust fund shall be clearly defined by the Governing Council. Such trust funds shall be administered in accordance with the present Regulations.

Article 13 - Charges against the UNDP (SF) Account

Article 13.1 The UNDP (SF) Account shall be charged with:

- (a) Costs incurred in connexion with projects approved by the Governing Council.
- (b) Cost of preparatory assistance or preliminary operations in connexion with Special Fund-assisted projects which are not approved by the Governing Council, and
- (c) Costs incurred under the Special Fund share of the UNDP administrative budget as approved by the Governing Council.

Article 14 - Earmarking of Funds by the Governing Council

- Article 14.1 Each project submitted by the Administrator for approval by the Governing Council shall be accompanied, inter alia, by a budget estimate showing the financial implications of the project in its entirety, including a statement on the costs which would be borne by the recipient Government(s).
- Article 14.2 At the time of submission to the Governing Council of project proposals accompanied by budget estimates, the Administrator shall also submit a statement of the financial status of the UNDP (SF) Account, showing, inter alia, resources available to the Special Fund, earmarkings by the Governing Council and allocations by the Administrator.
- Article 14.3 After considering the estimated project budgets, and after taking into consideration the statement of the financial status of the UNDP (SF) Account submitted by the Administrator, the Governing Council may approve such projects and earmark the necessary funds. The Governing Council shall establish policies governing the relationship of total earmarkings to the total resources of the Special Fund.
- Article 14.4 Project earmarkings shall consist of:
- (a) the estimated project budget, and
 - (b) a provision for contingencies equal to a percentage of approved project budgets, which shall be established by the Governing Council.
- Article 14.5 Each provision for contingencies shall be added to a reserve for contingencies to be included in the UNDP (SF) Account.

Article 14.6 The Governing Council shall also earmark funds to cover:

- (a) Amounts authorized for transfer to the UNDP Revolving Fund for preparatory assistance in connexion with government requests for Special Fund financing and for preliminary operations in connexion with Special Fund-assisted projects prior to their approval by the Governing Council.
- (b) The cost of preparatory assistance or preliminary operations in connexion with Special Fund-assisted projects which are not approved by the Governing Council, and
- (c) The Special Fund share of the UNDP administrative budget.

Article 14.7 The earmarking of funds by the Governing Council shall constitute authorization to the Administrator to allocate funds in accordance with Article 15.

Article 15 - Allocation of Funds by the Administrator

Article 15.1 Within the level and for the purposes specified by the Governing Council, the Administrator may allocate the necessary funds to cover:

- (a) From the UNDP (SF) Account:
 - (1) The full cost to completion of approved projects;
 - (2) The annual cost of preparatory assistance or preliminary operations in connexion with Special Fund-assisted projects which are not approved by the Governing Council, and
 - (3) The Special Fund share of the UNDP administrative budget;
- (b) From the UNDP Revolving Fund:
 - (1) The cost of preparatory assistance authorized by the Administrator, and
 - (2) The cost of preliminary operations in connexion with Special Fund-assisted projects prior to their approval by the Governing Council.

Article 15.2 The Administrator may also allocate the necessary funds to cover the cost of services and facilities for which provision has been made in gross project budgets, representing that part of the government's counterpart contributions to the project which is to be provided under Article 7.4 in the form of cash. Such allocations shall be limited to the amounts specified in plans of operation as the government's counterpart contributions in cash.

Article 15.3 The allocation for the Special Fund share of the UNDP administrative budget shall be made annually at the beginning of the year and shall constitute a first charge against resources.

Article 15.4 The total allocation for any individual project shall be limited to the amount of the project budget contained in the plan of operation for that project and, excluding any allocation covering counterpart contributions in cash made in accordance with Article 15.2, shall not exceed by more than 25 per cent the earmarking by the Governing Council for Special Fund assistance to that project, subject to the overall limitation on the reserve for contingencies provided under Article 14.4(b).

Article 15.5 Allocations shall constitute a ceiling on commitments to be incurred, either by the Administrator or a Participating and Executing Agency, in respect of the project budgets to which they apply, of the preparatory assistance or preliminary operations authorized by the Administrator, and of the Special Fund share of the UNDP administrative budget.

Article 15.6 Upon the termination of the Special Fund's assistance towards a project, funds allocated in excess of commitments incurred in respect thereof shall become available for allocation for other purposes in accordance with Article 15.1. Funds allocated to cover the cost of preparatory assistance or preliminary operations in connexion with Special Fund-assisted projects which are not approved by the Governing Council and to cover the Special Fund share of the UNDP administrative budget which are in excess of commitments incurred in respect of any particular year for these purposes shall revert to the UNDP (SF) Account at the end of the year.

Article 16 - UNDP Revolving Fund

- Article 16.1 Upon recommendation of the Administrator, the Governing Council may earmark funds from the resources of the Special Fund for transfer to a UNDP Revolving Fund to cover the cost of preparatory assistance in connexion with government requests for Special Fund financing and for preliminary operations in connexion with Special Fund-assisted projects prior to their approval by the Governing Council.
- Article 16.2 The Administrator may allocate from the UNDP Revolving Fund, within limits established by the Governing Council, funds for preparatory assistance to cover:
- (a) assistance to governments in the preparation, elaboration and revision of requests for Special Fund financing, and
 - (b) investigation and appraisal of requests for Special Fund financing.
- Article 16.3 If such a request for Special Fund financing results in a project subsequently approved by the Governing Council, the cost of any preparatory assistance authorized by the Administrator under Article 16.2 shall be included in and charged to the project budget and the corresponding allocation for preparatory assistance will be withdrawn.
- Article 16.4 If the request does not result in a project approved by the Governing Council, the cost of any preparatory assistance authorized by the Administrator under Article 16.2 shall be charged to a separate account within the UNDP (SF) Account for which funds have been earmarked by the Governing Council in accordance with Article 14.6 and the corresponding allocation for preparatory assistance will be withdrawn.

- Article 16.5 The Administrator may allocate from the UNDP Revolving Fund, within limits and under conditions established by the Governing Council, funds to cover preliminary operations in connexion with Special Fund-assisted projects prior to their approval by the Governing Council.
- Article 16.6 If such a Special Fund-assisted project is subsequently approved by the Governing Council, the cost of any preliminary operations for that project authorized by the Administrator under Article 16.5 shall be included in and charged to the project budget and the corresponding allocation for preliminary operations will be withdrawn.
- Article 16.7 If such a Special Fund-assisted project is not approved by the Governing Council, the cost of any preliminary operations for that project authorized by the Administrator under Article 16.5 shall be charged to a separate account within the UNDP (SF) Account for which funds have been earmarked by the Governing Council in accordance with Article 14.6 and the corresponding allocation for preliminary operations will be withdrawn.
- Article 16.8 To facilitate the prompt commencement of project implementation as soon as possible after approval by the Governing Council, the Administrator may authorize the commitment or expenditure of funds for project costs in advance of signature of plans of operation and may authorize the advance purchase of standard items of equipment.

Article 17 - The Special Fund share of the UNDP Administrative Budget

- Article 17.1 Annual budget estimates in respect of administrative costs of the Special Fund shall be prepared by the Administrator with the assistance of the Secretary-General, in a form consistent with United Nations budgetary regulations, rules, policies and practices, and shall cover all foreseen administrative requirements. The budget estimates may include provision for contingencies.
- Article 17.2 The annual budget estimates shall be submitted to the Advisory Committee on Administrative and Budgetary Questions, for its comments, and subsequently to the Governing Council for approval.
- Article 17.3 The budget as approved by the Governing Council, and any comments which the Advisory Committee on Administrative and Budgetary Questions may have made on the budget estimates, shall be submitted to the General Assembly.
- Article 17.4 Supplementary estimates, prepared in a form consistent with the annual budget estimates may be submitted by the Administrator to the Governing Council whenever necessary, utilizing the procedure laid down in Articles 17.1, 17.2 and 17.3 above.
- Article 17.5 The budget approved by the Governing Council shall constitute an authorization to the Administrator to incur obligations and to authorize payments for the purposes and up to the amounts for which the budget was approved.

Article 18 - Utilization, Exchange and Conversion of Currencies

Article 18.1 The Administrator shall endeavour to make the fullest possible use of available currencies. He may indicate to contributing Governments the currency or currencies which are required for the execution of the Special Fund programme and may negotiate with a contributing Government regarding convertibility of its voluntary contribution.

Article 18.2 In the absence of any relevant exchange restrictions imposed by contributing Governments, currencies in the UNDP (SF) Account may be utilized to purchase other currencies when required.

Article 18.3 With the agreement of the Administrator, the Secretary-General, in his capacity as custodian of the funds of the Special Fund, may exchange currencies between the Special Fund and Technical Assistance components of the United Nations Development Programme when such exchange would facilitate utilization of currencies under both programmes and, with the agreement of the contributing Governments concerned, may exchange currencies with other funds for which the Secretary-General is also the custodian, when such exchange would facilitate utilization of currencies in the UNDP (SF) Account.

Article 18.4 The report which the Administrator shall provide annually to the Governing Council pursuant to paragraph 48 of General Assembly resolution 1240 (XIII) shall provide information on currencies received during the preceding year, currencies purchased and exchanged and the purposes for which currencies were expended, together with any comments the Administrator may deem desirable.

Article 19 - Commitments, Obligations and Expenditures

- Article 19.1 For projects executed by Participating and Executing Agencies and for preparatory assistance or preliminary operations financed from the UNDP Revolving Fund which are carried out by Participating and Executing Agencies, the regulations, rules, policies and practices of the Participating and Executing Agency relating to the commitment and expenditure of funds shall apply to the extent that they are appropriate.
- Article 19.2 For projects contracted directly by the Administrator the appropriate regulations, rules, policies and practices of the United Nations relating to the commitment and expenditure of funds as a Participating and Executing Agency of the Special Fund shall apply.
- Article 19.3 For preparatory assistance or preliminary operations financed from the UNDP Revolving Fund which are carried out by the Administrator, the regulations, rules, policies and practices of the United Nations relating to the commitment and expenditure of funds shall apply to the extent that they are appropriate.
- Article 19.4 For the Special Fund share of the UNDP administrative budget, the appropriate regulations, rules, policies and practices of the United Nations relating to the obligation and expenditure of funds shall apply.
- Article 19.5 For projects executed by Participating and Executing Agencies, commitments and expenditures shall be accounted for to the Administrator in accordance with such terms as are included in agreements entered into under Article 23.2.
- Article 19.6 For projects executed by Participating and Executing Agencies, commitments may remain valid and expenditures may be made after completion of the project for such periods as are stipulated in the agreements entered into under Article 23.2.

Article 20 - Rates of Exchange

- Article 20.1 For the purpose of recording voluntary contributions and cash donations in the UNDP (SF) Account, the official par values or other appropriate exchange rates agreed between the Secretary-General and the contributing Governments shall be used.
- Article 20.2 For the purpose of recording receipts from both counterpart contributions in cash and payments towards local operating costs in the UNDP (SF) Account, the United Nations operating rate of exchange in effect on the date that the payment became due under the plan of operation or the date of payment, whichever was later, shall be used.
- Article 20.3 Operating exchange rates established by the United Nations Controller shall apply to the recording of all transactions in the UNDP (SF) Account other than those specified in Article 20.1.
- Article 20.4 In cases where a Government makes available a special rate of exchange to be applied under specified conditions, the Administrator may, with the concurrence of the United Nations Controller, authorize the use of such rate simultaneously with the normal operating rate of exchange, specifying the transactions where the special rate is to be applied.

Article 21 - Accounting for Adjustments in Exchange Rates

- Article 21.1 Exchange adjustments arising as a result of variation between the rate applicable to a voluntary contribution and the operational exchange rate in effect at the time of receipt of that contribution shall be recorded separately in the UNDP (SF) Account and applied as a reduction or increase in the amounts available for allocations.
- Article 21.2 When an operational exchange rate for a particular currency is revised, the United Nations Controller shall revalue the cash balance and any other assets or liabilities in that currency remaining in the UNDP (SF) Account and shall charge, or credit, the exchange adjustment to a central account, the balance of which will be netted at the year-end against miscellaneous income accumulated in the UNDP (SF) Account.

Article 22 - Financial Procedures and Practices

- Article 22.1 The Administrator shall arrange with the Secretary-General for the establishment of appropriate financial procedures and practices, including those relating to internal control and internal audit. Unless otherwise provided by these financial regulations, these procedures and practices shall accord with the normal financial policies and practices of the United Nations.
- Article 22.2 In regard to any matter not specifically covered by these regulations, the appropriate provisions of the United Nations Financial Regulations and Rules shall apply.

Article 23 - Financing and Execution of Projects by
Participating and Executing Agencies

- Article 23.1 Projects shall be executed, whenever possible, by the United Nations, by the Participating and Executing Agencies concerned, or by the International Atomic Energy Agency. The Administrator is also authorized to contract for the services of other agencies, private firms or individual experts in case the services of the organizations mentioned are wholly or partly unavailable or inadequate.
- Article 23.2 For such projects, an agreement shall be entered into between the Administrator and the Participating and Executing Agency in which the terms and conditions which are to govern the financing and execution of the project are specified.
- Article 23.3 Each agreement shall provide:
- (a) arrangements for the Administrator to follow the execution of the project;
 - (b) arrangements for disbursements of funds to the Participating and Executing Agency, within the total allocation issued by the Administrator in respect of the project budget;
 - (c) such reporting, audit and other requirements in respect of accountability for Special Fund monies disbursed to the Participating and Executing Agency as the Administrator may deem appropriate, with due regard to Articles 25.2 and 25.3.
- Article 23.4 The Administrator may include in an agreement a provision under which, subject to a suitable notice period, the financing arrangements of the agreement can be revised at his discretion.
- Article 23.5 Arrangements for the execution of projects shall be subject to the approval of the requesting Government or Governments, and shall be specified in an agreement with these Governments. Such arrangements shall contain provisions regarding the cost, including any local costs, which the requesting Government will assume and those services and facilities it will provide.

Article 24 - Accounts and Financial Reports

Article 24.1 The Administrator shall report to the Governing Council on the financial status of projects.

Article 24.2 The accounts of the UNDP (SF) Account shall be maintained in U.S. dollar equivalents, and shall include accounts for:

- (i) voluntary contributions pledged and received;
- (ii) payments by Governments under Article 7.4;
- (iii) payments by Governments under Article 8.1;
- (iv) donations received under Article 9.1;
- (v) miscellaneous income;
- (vi) exchange adjustments;
- (vii) allocations;
- (viii) remittances to Participating and Executing Agencies;
- (ix) commitments incurred against the allocations for projects executed by the Administrator;
- (x) commitments incurred against the allocations for the cost of preparatory assistance or preliminary operations in connexion with Special Fund-assisted projects which are not approved by the Governing Council;
- (xi) commitments incurred against the allocation for the Special Fund share of the UNDP administrative budget;
- (xii) currencies on hand at banks and invested and other assets, and liabilities of the UNDP (SF) Account;
- (xiii) reserve fund.

Article 24.3 The accounts of the UNDP Revolving Fund shall be maintained in U.S. dollar equivalents, and shall include accounts for:

- (i) transfers of funds from the UNDP (SF) Account, and
- (ii) allocations.

Article 24.4 The accounts relating to each trust fund shall be maintained in U.S. dollar equivalents, and shall include accounts for:

- (i) pledges and receipts;
- (ii) allocations to Participating and Executing Agencies;
- (iii) remittances to Participating and Executing Agencies;
- (iv) commitments incurred against allocations;
- (v) assets and liabilities.

Article 24.5 At the intervals to be agreed with the Administrator, the Controller of the United Nations shall prepare and submit to the Administrator:

- (i) financial statements showing the status of the UNDP (SF) Account, the UNDP Revolving Fund, trust funds and the UNDP administrative budget;
- (ii) reports on the overall consolidated financial position of the Special Fund;
- (iii) reports on the collection of voluntary contributions, counterpart contributions in cash and payments toward local operating costs.

Article 24.6 The Controller of the United Nations shall prepare and certify as correct the annual accounts showing the status of the UNDP (SF) Account, the UNDP Revolving Fund, trust funds and the UNDP Administrative budget, and the Administrator shall submit them as approved by him to the United Nations Board of Auditors not later than 31 March following the end of the financial year.

Article 25 - External Audit

- Article 25.1 The Participating and Executing Agencies shall transmit to the Administrator for submission to the Governing Council and to the United Nations General Assembly annual accounts showing the status of all funds either allocated to them by the Administrator for the execution of projects or made available to them by Governments as counterpart contributions in cash in accordance with project plans of operation. Such accounts shall bear audit certificates from the Participating and Executing Agency's external auditors and shall be accompanied by their reports, if any.
- Article 25.2 The annual accounts showing the status of the UNDP (SF) Account, the UNDP Revolving Fund, trust funds and the UNDP administrative budget, with audit certificates from the United Nations Board of Auditors and their reports, if any, shall be transmitted to the Governing Council and to the United Nations General Assembly by the Administrator.
- Article 25.3 The annual accounts showing the consolidated financial position of the Special Fund, with audit certificate from the United Nations Board of Auditors and their report, if any, shall be transmitted to the Governing Council and to the United Nations General Assembly by the Administrator.
- Article 25.4 The planning of the audits and co-ordination between the audits required by Articles 25.1, 25.2 and 25.3 above shall be the responsibility of the Panel of External Auditors of the United Nations and the Participating and Executing Agencies.