

FINANCIAL AND ADMINISTRATIVE FRAMEWORK AGREEMENT

between

the EUROPEAN UNION represented by the EUROPEAN COMMISSION

and

the UNITED NATIONS

Preamble

The United Nations¹ (hereinafter referred to collectively as the “United Nations” or “UN” and individually as a “UN organisation”) and the European Commission (hereinafter referred to as the “Commission”) are willing to work together in a spirit of partnership in order to help achieve the 2030 Agenda for Sustainable Development and its Sustainable Development Goals, the Sendai Framework for Disaster Risk Reduction (2015-2030), the Paris Agreement on Climate Change and the Addis Ababa Action Agenda on Financing for Development, and to ensure the most effective and efficient delivery of humanitarian assistance in the context of the increasing humanitarian needs worldwide.

Both Parties will endeavour to strengthen their mutual contacts with a view to improving the exchange of information on programming and content throughout the cycle of their operations. In particular, the United Nations secretariats will welcome the presence and participation of Commission representatives in United Nations boards and committees, it being understood that the decisions relating thereto rest with the relevant United Nations governing bodies.

As outlined by the Commission in its 2 May 2001 communication on building an effective partnership with the United Nations, and by the Secretary-General in his response, this Agreement sets out a framework for the United Nations and the Commission to enhance their cooperation including programmatic partnership.

Where possible and desirable, such cooperation will take the form of actions, the performance of which requires the pooling of resources from a number of donors, and where it is not reasonably possible or appropriate to assign the share contributed by each donor to each type of expenditure.

UN organisations may manage European Union (hereinafter referred to as “EU”) contributions in accordance with their own rules and regulations as assessed by the Commission.

¹ The term, “United Nations”, means the United Nations Secretariat as further described in the Annex, as well as the United Nations funds, programmes, agencies and other bodies that are signatories to this Agreement, as detailed in the same Annex. Others may be covered later pursuant to the provisions of Article 15.3. The Annex shall be modified accordingly without formalities. The term, the “Commission” refers to all the services within the Commission.

The Parties will examine the possibilities for further harmonising the procedures they use in co-operating with each other; this will include the examination by the Commission of possibilities for adapting existing European Union rules on nationality and origin in such a way as to facilitate enhanced collaboration with the United Nations.

Where in the implementation of this financial and administrative framework agreement (hereinafter referred to as the “Agreement”) the Commission makes a financial contribution (hereinafter referred to as an “EU contribution”) to an operation, programme or project administered by the United Nations (hereinafter referred to as an “Action”), the relevant contribution-specific agreement shall reflect the principles contained in this Agreement.² This shall apply whether the contribution-specific agreement with the UN organisation is signed by the Commission itself or signed by the partner country³ under indirect management and endorsed by the Commission, in particular in the case of financing under the European Development Fund.

The term 'contribution-specific agreement' refers to contribution, delegation and grant agreements. In addition, the Commission may award procurement contracts to the United Nations. In such cases the provisions of Article 12a on verifications contained in this Agreement shall apply.

All activities undertaken hereunder are directed towards the attainment of results: humanitarian, developmental or otherwise. The shift to a results orientation should be accompanied by a corresponding shift away from the exclusive examination of inputs and activities: it should simplify the administration of, and information generated by, UN Actions.

Consistent with numerous UN Security Council resolutions, including S/RES/1269 (1999), S/RES/1368 (2001) and S/RES/1373 (2001), the signatory Parties are firmly committed, amongst others, to the fight against international terrorism, and in particular, against the financing of international terrorism. It is the policy of the EU to ensure that no support or economic resources are made available, directly or indirectly, to or for the benefit of entities, individuals or group of individuals, designated by the EU under restrictive measures.

The Parties agree that the need to ensure the respect for EU restrictive measures shall not impede the effective delivery of humanitarian assistance to persons in need in accordance with the humanitarian principles and relevant provisions of International Humanitarian Law.

Now therefore the Parties, each acting within its applicable rules and procedures, agree as follows:

² EU Member States may make use of this Agreement under shared management when awarding grants to UN organisations falling within the scope of this Agreement.

³ In this latter case references to the Commission in this Agreement shall, where relevant, apply *mutatis mutandis* to the contracting authority in the partner country when the latter applies Commission rules.

1. Focus on results

- 1.1. UN submissions of proposals pertaining to Actions for which EU contributions are provided, will include objectives and indicators of achievement to be agreed in contribution-specific agreements. These will be reflected in subsequent work plans and reports. Performance measures will be based on objectives that are specific, measurable, attainable, realistic and time-based. Indicators for the contribution-specific agreement may be linked to the more general indicators relevant for the whole Action.
- 1.2. Commission representatives shall be invited to participate in the main monitoring and in the evaluation missions relating to the performance of Actions that have received funding from the Commission. The results of such missions shall be reported to the Commission.
- 1.3. This is without prejudice to any evaluation mission which the Commission as a donor may wish to perform. In order to facilitate the coordination between UN and Commission evaluation, UN submissions of proposals will outline the proposed monitoring and evaluation plan of the relevant Action.
- 1.4. Evaluation missions by Commission representatives should be planned and completed in a collaborative manner between UN staff and Commission representatives, keeping in mind the commitment of both the UN and the Commission to the effective and efficient operation of their agreement. These missions are to be planned ahead and procedural matters are to be agreed upon by the Commission and the UN organisation concerned in advance. These essentially include such matters as timing and scope of the mission, questions the mission wishes to raise with management of the organisation, nature of programme information, and whether missions are to visit headquarters locations and/or field offices. All staff involved should bear in mind their limited resources in terms of availability and capacity in handling these visits. The mission will offer to make a draft of its report available to the organisation's management for comments prior to final issuance.
- 1.5. As far as possible and appropriate given the context of the Action, the United Nations and the Commission will explore carrying out jointly the monitoring and evaluation activities. Such arrangements would be discussed and agreed between the Parties in due time, planned ahead and completed in a collaborative manner. Terms of reference and procedural matters would be agreed by the Parties beforehand. Representatives of the Commission would participate at their own costs. The draft report would be shared for comments prior to final issuance. The UN organisation will also send the final reports to the Commission once issued.

This provision does not preclude the UN organisation from conducting its own monitoring and evaluation missions.

2. Reporting

- 2.1. Reporting, narrative as well as financial, shall cover the whole of the Action described in the relevant contribution-specific agreements and their attached budgets, regardless of whether this Action is wholly financed or co-financed by the Commission. The narrative reports shall commensurate with the “Description of the action” and focus on results attained during the reporting period, the financial reports shall present the expenses with the same level of details as the “Budget of the action” had.

The contribution-specific agreement sets out the information to be provided in reports by the United Nations to the Commission.

- 2.2. The Commission may not always request a specific format for budgets in contribution-specific agreements and reports, provided that a sufficient level of detail is provided in the United Nations’ proposals and standard reports.
- 2.3. Reports to be submitted to the Commission will be either in Euro or in the accounting currency of the UN organisation. These reports may be drawn from financial statements denominated in other currencies as per UN legislative requirements. Where necessary, actual expenditure will be converted into Euro using the rate of exchange at which the EU’s contribution was recorded in the UN organisation’s accounts.
- 2.4. The Commission will consider establishing contribution-specific agreements that coincide with the United Nations’ reporting cycles, so as to facilitate the use of the United Nations’ standard reports, without the need for drafting specific reports for the Commission. This may entail, where the Action had to start before the contribution-specific agreement is signed, that costs incurred prior to the signature of such agreement are nonetheless eligible, if so determined case by case in such agreement. In such case these costs must be reported on.
- 2.5. For contribution-specific agreements exceeding 12 months, the minimum requirement of the Commission is a yearly narrative and financial report. The narrative report shall directly relate to the relevant agreement and shall at least include:
 - summary and context of the Action;
 - activities carried out during the reporting period (i.e. directly related to the Action description and activities foreseen in the contribution-specific agreement);
 - difficulties encountered and measures taken to overcome problems;
 - changes introduced in implementation;
 - achievements/results by using indicators (to be included in the contribution-specific agreement);

- work plan for the following period. If the report is sent after the end of the period covered by the preceding work plan, a new work plan, albeit provisional, is always required before such date.
- 2.6. In all cases a final report is required covering the whole period of implementation of the contribution-specific agreement. This must be received by the Commission within three months after the end of the implementation period specified in the contribution-specific agreement in the case of humanitarian assistance and other programmes of emergency assistance, and six months in other cases.

In the case of delay in the submission of the final report without an acceptable written explanation the Commission may refuse to pay any outstanding amount and recover any amounts unduly paid.

- 2.7. In addition to the standard reports to donors, the United Nations will ensure that progress and situation reports, publications, press releases and updates, relevant to the contribution-specific agreement, are communicated to the Commission as and when they are issued.
- 2.8. The Parties shall endeavour to promote close collaboration and exchange of information between officials entrusted with the management of Actions on both sides. In particular, the Commission shall always be invited to join any donor committee which the relevant UN organisation might set up in connection with Multi-donor Actions.

3. Eligible direct costs

- 3.1. To be considered eligible as direct costs in the context of an Action financed or co-financed by the Commission, costs must:
- be directly attributable to the action, arise as a direct consequence of its implementation and charged in proportion to the actual use;
 - be necessary for carrying out the Action, be provided for specifically in the contribution-specific agreement and comply with the principles of sound financial management, in particular value for money and cost-effectiveness;
 - have actually been incurred during the implementation period of the Action specified in the contribution-specific agreement, whatever the time of actual disbursement by the UN organisation, and in accordance with the provisions of the contribution-specific agreement;
 - be recorded in the United Nations' or United Nations' partners' accounts, be identifiable, backed by originals of supporting evidence, and verifiable pursuant to the provisions on the verification under Article 12a;
 - ensure respect for the applicable tax and social legislation, if any, subject to the UN organisation's privileges and immunities.

3.2. Direct eligible costs declared by the UN organisation may take form of:

- (i) actual costs incurred by the UN organisation, subject to the above, and/or
- (ii) simplified cost options in accordance with the contribution-specific agreement.

The following types of expenses may in particular be eligible, subject to the provisions of Article 3.1. above:

- the cost of UN staff assigned to the implementation of the Action, corresponding to actual salaries plus social security charges and other remuneration-related costs. Identifiable personnel costs at headquarters level arising as a direct consequence of the Action may be included. Salaries and costs will not exceed those normally borne by the United Nations;
- travel and subsistence costs for UN staff taking part in the Action, provided they do not exceed those normally borne by the United Nations;
- purchase costs for equipment (new or used) which are attributable to the Action. Unless otherwise specified in the contribution-specific agreement, such equipment will be transferred to local authorities or partners (excluding commercial contractors) of the United Nations or the final recipient of the Action at the end of this Action;
- purchase costs for goods and services (transport, storage and distributing, rent of equipment, etc.) which are directly attributable to the Action;
- costs directly arising out of, or related to, accepting or distributing contributions in kind;
- costs of consumables and supplies directly attributable to the Action;
- expenditure on contracting or expenditure incurred by the United Nations' partners directly attributable to the Action;
- the proportion of project office costs that corresponds to the amount of activity directly attributable to the Action.

3.3. The following costs shall not be considered eligible, unless otherwise provided in the contribution-specific agreement:

- bonuses, provisions, reserves or non-remuneration related costs;
- full-purchase cost of equipment and assets unless the asset or equipment is specifically purchased for the Action and ownership is transferred in accordance with the contribution-specific agreement;
- duties, taxes and charges, including VAT, that are recoverable/deductible by the UN organisation;

- return of capital;
- debts and provisions for possible future losses or debts;
- interest owed by the United Nations to any third party;
- banking charges for the transfers from and to the Commission;
- costs incurred during the suspension of the implementation of the contribution-specific agreement except the minimum costs agreed on in accordance with the contribution-specific agreement;
- items already financed from other sources;
- purchases of land or buildings;
- contributions in kind (the cost of staff assigned to the Action and actually incurred by the organisation is not a contribution in kind and may be declared as a direct eligible cost if it complies with the conditions set out above);
- for EU grants, currency exchange losses.

4. Eligible indirect costs

- 4.1. For EU contributions, a fixed percentage of direct eligible costs, not exceeding 7 %, shall be eligible as indirect costs.
- 4.2. For comparable Actions and Actions where there is more than one donor the amount recovered shall not, in percentage terms, be higher or lower than for other comparable contributions.
- 4.3. Indirect costs are eligible provided that they do not include costs assigned to another heading of the budget of the contribution-specific agreement.
- 4.4. Where the rates applied in accordance with United Nations' governing bodies' decisions exceed 7%, the United Nations may recover the balance as direct eligible costs, subject to the provisions governing direct eligible costs referred to in Article 3 being fulfilled.

5. Contracting

- 5.1. The United Nations regularly implements Actions in collaboration with other entities. In deciding which activities will be contracted to other entities and which ones will be implemented directly, the UN considers cost as one of the determining factors, considering that contracting should not lead to increased costs over direct implementation by the UN itself.
- 5.2. The UN organisation, in presenting its proposal for financing or co-financing by the Commission towards an Action will, in as much as possible, provide details of contracting arrangements and partners envisaged. If the UN

organisation cannot present full details of contracting arrangements, it will undertake to present them as soon as they are available. The UN organisation will also undertake to inform the Commission, with as much prior notice as possible, of changes in these arrangements.

- 5.3. The UN is fully responsible for the co-ordination and execution of all contracted activities.

6. Procurement of goods, works and services

- 6.1. The procurement of any goods, works or services by the United Nations in the context of an Action financed or co-financed by the Commission shall be carried out in accordance with the applicable rules and procedures adopted by the United Nations. The Commission and a UN organisation may agree on appropriate procurement rules and procedures in specific cases depending on the applicable regulatory provisions on each side.
- 6.2. This is based on the understanding that United Nations' rules and procedures are consistent with internationally accepted standards, including data protection and the award of contract to the tender offering best value for money, in compliance with the principles of transparency and equal treatment for potential contractors, care being taken to avoid any conflict of interests. The provisions on verifications under Article 12a of this Agreement shall apply. In the event of failure to comply with the above provisions the relevant costs shall not be eligible for Commission funding.
- 6.3. In Multi-donor Actions, the Commission is prepared, if allowed by the applicable regulatory provision, to accept that the United Nations' rules of origin apply. In other cases, the origin of the goods and the nationality of the companies and experts selected for carrying out activities in an Action financed or co-financed by the Commission shall be determined by the parties to a contribution-specific agreement on a case by case basis, depending on the applicable regulatory provisions on each side.

6a. Exclusion from funding

- 6a.1. The UN shall not provide funds to third parties, whether entities, individuals or group of individuals, included in the Consolidated United Nations Security Council Sanctions List (the "UN Sanctions List") at the time such third parties are selected.
- 6a.2. The UN shall cooperate with the Commission in assessing if the third parties, whether entities, individuals or group of individuals, selected by the UN to be recipients of funds in connection with the implementation of the respective contribution agreement, fall under the scope of EU restrictive measures.⁴ In the

⁴ The consolidated lists of EU restrictive measures are available at: www.sanctionsmap.eu .

event that such recipients would fall under the scope of EU restrictive measures, the UN shall promptly inform the Commission.

- 6a.3. In such event, the UN and the Commission shall promptly consult each other with a view to jointly determining remedial measures in accordance with their respective applicable legal framework. Such measures may include, but shall not be limited to, the reallocation of the remaining EU contribution under this Agreement, net of any costs incurred by the UN for undertaking any procurement or award procedure (the “Corresponding Amount”).
- 6a.4. Where such remedial measures are not feasible, the Corresponding Amount shall not be charged to the action or, in the case of Multi-donor action, to the amount corresponding to the Commission's contribution to the action. This is without prejudice to the suspension or termination of the respective contribution agreement, together with the recovery of any unspent funds contributed by the Commission to the UN, after consultation by the Parties.
- 6a.5. This provision is without prejudice to the exceptions contained in the EU restrictive measures.

7. Payment schedules

- 7.1. Payment schedules shall be detailed in each individual contribution-specific agreement. The Commission shall provide an advanced payment of up to 100% of each annual forecasted budget under the conditions for disbursement detailed in the contribution-specific agreement.
- 7.2. In the case of trust funds or special accounts, the UN may utilise the available balance pertaining to one contribution-specific agreement to meet the immediate, including final, requirements of another providing that:
 - it anticipates receipt of payment from the Commission for the contribution-specific agreement towards which the available balance was advanced in sufficient time to ensure that the contribution-specific agreement from which the funds were advanced is reimbursed without disruption or delay;
 - the reimbursement of the contribution-specific agreement from which funds were advanced includes the amount advanced and an amount corresponding to the bank interest, if any, that would have been earned had these funds remained on account.

8. The Euro

- 8.1. All contribution-specific agreements between the UN and the Commission shall be denominated either in Euro or in the accounting currency of the UN organisation.
- 8.2. EU contributions may be pooled together with contributions from other donors. They may be exchanged for other currencies in order to facilitate their disbursement.
- 8.3. Publicity pertaining to EU contributions shall quote these contributions in Euro, in parenthesis if necessary. UN publications and reports prepared in response to, and in accordance with, its legislative directives are excluded from this provision.

9. Bank interest

UN rules and procedures pertaining to positive bank interest shall apply, and equal treatment among donors shall be ensured. This is based on the understanding that these rules and procedures conform to internationally accepted standards.

10. Other financial issues

- 10.1. To ensure that Commission funds will remain available, and can be fully utilised, the maximum EU contributions will be expressed as absolute amounts complemented, where appropriate, by a percentage of total eligible expenditures for grants.

Where the EU contribution is expressed as the lower of an absolute amount and a percentage of projected total eligible expenditures, and the conditions of implementation or expected level of funding are likely to change, the UN organisation will consult the Commission without delay so as to agree on appropriate measures, such as increasing the percentage of eligible expenditures.

- 10.2. In exceptional cases, including those mentioned in Article 2.4 above, the Commission may provide funding for an Action in progress provided that it has not started before the date on which the request for funding has been received. For humanitarian operations, emergency support operations or for crisis management aid and in other exceptional and duly substantiated emergencies, the Commission may provide funding for an Action started before the date on which it has received the request for financing.⁵ In all cases this must be specified in the contribution-specific agreement.

⁵ Retroactivity rules:

- for grants: in the event of extreme urgency where an early engagement by the European Union would be of major importance, for the purposes of humanitarian aid-emergency support operations or for crisis

- 10.3. In cases where the Action is suspended or not completed within the period defined in the contribution-specific agreement, the funds that remain unexpended after all liabilities incurred in this period have been satisfied, including interest earned (subject to Article 9), will be reimbursed to the Commission, unless agreed otherwise in writing.
- 10.4. The Commission will inform UN organisations with which it has or is likely to have contribution-specific agreements, on its programming intentions as early as possible in the budgetary exercise, including, on an indicative basis, the amounts likely to be available during the current exercise.
- 10.5. The Commission will make every effort to allow for the necessary flexibility to enable UN organisations operating in highly volatile situations to meet evolving needs during the implementation period.
- 10.6. The United Nations will make every effort to define in advance the aspects most likely to be affected by changes in a given situation.
- 10.7. The contribution-specific agreement will specify the degree of flexibility, including budgetary re-allocations, to be exercised by the United Nations.
- 10.8. The Commission may allow inclusion in the initial budget of a contribution-specific agreement of a contingency reserve, at the request of the UN organisation concerned, to cover any adjustment necessary in the light of changed circumstances on the ground. The contingency reserve should not be higher than 5% of the value of the direct eligible costs of the Action presented in the Budget. In case of Multi-donor Actions, the share of the contingency reserve that is proportional to the share of the EU contribution in the Budget of the Action can only be used with the prior written authorisation of the Commission.
- 10.9. *[deleted 31.12.2018]*
- 10.10. In the case of Multi-donor Actions, except as otherwise provided in this Agreement or in the relevant contribution-specific agreement, the UN organisation will ensure equal treatment among all donors.

management aid and in other exceptional and duly substantiated emergencies, the costs incurred by a UN organisation before the date of submission of the project proposal for EU contribution can be eligible for EU financing. In case of “direct award of a grant” the date when the funding proposal was submitted is considered as the starting date of negotiations as confirmed by administrative evidence.

- for indirect management: same principle applies but not limited to crisis situations. The costs incurred by the UN organisation before the date of submission of the project proposal can be eligible for EU financing.

In both cases, the costs incurred may precede the approval of the Commission financing decision but, in the latter case, express reference to retroactive validity of the EU contribution shall be made in the financing decision. No express authorisation on the retroactive use of the EU contribution is required in a financing decision when the costs are incurred after the said financing decision has been approved but before the signature of the contribution-specific agreement.

11. Visibility

- 11.1. It is common interest of the Parties to promote the EU-UN partnership and the EU visibility when the UN implements Actions funded with the EU financial contribution. Unless the Commission requests or agrees otherwise, the UN shall consult and agree on appropriate measures to publicise the fact that an Action has received funding from the European Union. Information given to the press, the beneficiaries of an Action, all related publicity material, official notices, reports and publications, shall acknowledge that the Action was carried out "with funding by the European Union" and shall display in an appropriate way the European emblem. It is understood that UN equipment and vehicles routinely carry the UN emblem and other indications of ownership prominently displayed. In cases where equipment or vehicles and major supplies have been purchased using funds provided by the Commission, the UN agrees to include appropriate acknowledgement on such vehicles, equipment and major supplies (including display of the European logo: twelve yellow stars on a blue background) provided that such actions do not jeopardise the UN organisations' privileges and immunities and the safety and security of UN organisations' staff.
- 11.2. The size and prominence of the acknowledgement and European Union logo shall be clearly visible in a manner that will not create any confusion regarding the identification of the Action as a UN activity, the ownership of the equipment and supplies by the UN, and the application to the Action of the UN privileges and immunities.
- 11.3. All UN publications pertaining to Actions that have received funding from the Commission, in whatever form and whatever medium, including the Internet, shall carry the following or a similar disclaimer: "This document was produced with the financial assistance of the European Union. The views expressed herein can in no way be taken to reflect the official opinion of the European Union."
- 11.4. If the equipment bought with an EU contribution is not transferred to local partners of the United Nations or the final recipient of the Action at the end of the implementation period specified in the contribution-specific agreement, the visibility requirements as regards this equipment (in particular display of the EU logo) shall continue to apply between the end of the implementation period specified in the contribution-specific agreement and the end of the overall Action, if the latter is longer. Where the UN organisation retains ownership in accordance with the conditions laid down in the contribution-specific agreement, the visibility requirements shall continue to apply as long as the relevant equipment, vehicles or remaining major supplies are used by the UN organisation.

12. Ex post publicity

- 12.1. The United Nations accept that for each contribution-specific agreement hereunder, the Commission publishes on its website the name and address of the relevant UN organisation, the purpose of the EU contribution as well as the amount contributed and if relevant the percentage of co-financing.
- 12.2. The Commission accepts that the UN organisation refrains from publicising information relating to its third parties (local partners, contractors or beneficiaries of the Action) where such publication could put at risk their safety, security or commercial interests, or jeopardise the UN organisations' privileges and immunities and the safety and security of UN organisations' staff.

12a. Verifications

- 12a.1. The Commission acknowledges the mandated primacy of UN oversight and control systems, including the principle of exclusive audit by UN External Auditors, and in keeping with internationally-accepted practice in the discipline of financial oversight and control, will endeavour to build reliance on these systems.
- 12a.2. The UN recognises the need for the Commission to report to competent European Union bodies that the EU contributions have been used for their intended purpose and according to the principle of sound financial management based on the assurance that an adequate system of accountability is in place (e.g. accounting systems and procedures, control and procurement procedures, financial and results reporting, and the oversight mechanisms). The Commission is determined to make full use of cross-reliance on audits conducted within the UN and to reduce its own control efforts where the aforementioned systems provide adequate assurance.
- 12a.3. The UN recognises also that the Commission and other competent bodies of the European Union may undertake, including on the spot, verifications concerning the activities financed by the European Union, request all relevant financial information (drawn from accounts and records), seek clarifications of information, and verify underlying documents.
- 12a.4. The financial transactions and financial statements concerning the activities financed or co-financed by the European Union shall be subject to the internal and external auditing procedures laid down in the applicable financial regulations, rules and directives of the UN organisations.
- 12a.5. A copy of the audited financial statements shall be submitted to the European Commission Headquarters by the United Nations when and as issued.
- 12a.6. UN organisations shall keep financial and accounting documents concerning the activities financed by the European Union in accordance with applicable

document retention policies and make all relevant financial information available to the competent bodies of the European Union upon request.

- 12a.7. Specific focal points should be designated at each Commission service and UN organisation concerned to ensure efficient co-ordination and conduct of all verifications.
- 12a.8. Verification missions should be planned and completed in a collaborative manner between UN staff and Commission representatives, keeping in mind the commitment of both the UN and the Commission to the effective and efficient operation of their agreement.
- 12a.9. Subject to the foregoing, the parties agree that verifications may also focus on expenditures reported in relation to contribution-specific agreements and other matters in connection therewith.
- 12a.10. A number of transactions as specified in the terms of reference selected from the reported expenditure can be sampled when a contribution-specific agreement is subject to verification. Verification teams will bring identified problems to the attention of the UN organisation concerned. Should problems be substantiated by the UN organisation concerned and the verification team, the UN organisation and the Commission may wish to jointly request the respective UN internal audit services to assess the full scope of the problems, including the total amount of reported expenditure that is potentially impacted.
- 12a.11. Subject to obligations of confidentiality, original documents shall be shown to the verification team to facilitate the verification process. Copies of such documents will not be made by the verification team. Requests for copies of such documents will be considered by UN organisations concerned on a case-by-case basis in line with their established confidentiality policies.
- 12a.12. UN organisations will endeavour to provide copies of documents that fully substantiate the costs under sampled transactions, either in the form of (preferably, electronic) copies of original substantiating documents or in the form of assurances provided by internal auditors for documents that are considered confidential, based on the UN organisations' regulatory framework.
- 12a.13. Initial and final meetings between the verification team and the UN organisation are to be conducted at the start and end of the mission. A draft verification report will be made available to the UN organisation for comments prior to final issuance. The final report shall include all the comments which have been made by the UN organisation and shall be made available once issued. Pursuant to that, and where the conclusions so justify, the Commission and the UN organisation concerned shall take up the contradictory procedure.

13. Consultations

- 13.1. The Parties will establish a working group to promote a regular exchange of information on all matters arising out of this Agreement. The working group will meet at least once a year to review the implementation of this Agreement. It may propose any appropriate action, including amendments to this Agreement, in the light of the results obtained or of changes in the regulatory framework of the Parties.
- 13.2. Any amendment to this Agreement shall be done in writing.
- 13.3. In the interest of transparency and accountability, the Parties shall undertake to timely exchange any information necessary for the implementation of this Agreement. The respective EU services and UN organisations shall designate a central contact point to which persisting implementation problems can be addressed.

14. Settlement of disputes

- 14.1. The affected parties shall endeavour to settle amicably any dispute or complaint relating to the interpretation, application or fulfilment of this Agreement or any contribution-specific agreement, including their existence, validity or termination.
- 14.2. *[deleted 31.12.2018]*
- 14.3. Nothing in this Agreement shall be interpreted as a waiver of any privileges or immunities accorded to any Party hereto by its constituent documents or international law.
- 14.3. Contribution-specific agreements shall contain provisions incorporating the above, including provisions referring to arbitration in accordance with the Permanent Court of Arbitration Optional Rules for Arbitration Involving International Organisations and States.

15. Entry into force and termination

- 15.1. This Agreement shall enter into force upon signature by both Parties.
- 15.2. This Agreement shall apply to all contribution-specific agreements entered into between the Commission and the United Nations after the date hereof, unless otherwise agreed in exceptional circumstances by the Commission and the relevant UN organisation. For such contribution-specific agreements it shall cancel and replace the agreements of 21 December 1994, 9 August 1999, 12 October 2000 and 6 November 2001.
- 15.3. Any UN organisation may adhere to this Agreement after the date hereof, by an exchange of letters with the Commission. This Agreement shall enter into

force as regards such UN organisation as from the date of such exchange of letters.

- 15.4. This Agreement shall not affect contracts or agreements entered into prior to the date of its entry into force, which shall remain governed by the above-mentioned agreements unless otherwise provided in these contracts or agreements.
- 15.5. Any general conditions applicable to contribution-specific agreements, to which this Agreement applies, shall fully conform to the provisions hereof.
- 15.6. This Agreement may be terminated by either Party upon giving six (6) months' prior written notice to that effect to the other Party. Unless the Parties agree on another course of action, any contribution-specific agreement entered into before the termination of this Agreement shall not be affected by such termination.

16. **Revision**

This Agreement is to be reviewed at least once every EU multiannual financial framework.

The following annex shall form an integral part of this Agreement:

Signatory parties.

EUROPEAN UNION, represented by the
EUROPEAN COMMISSION

UNITED NATIONS

ANNEX to the EU-UN FAFA:

Signatory parties

The European Union, represented by the European Commission

The United Nations Secretariat, including:

the Department of Political Affairs (DPA),

the Office for Disarmament Affairs (UNODA),

the Department of Peacekeeping Operations (the United Nations Mine Action Service),

the Department of Economic and Social Affairs (DESA),

the United Nations Conference on Trade and Development (UNCTAD),

the Office for the Coordination of Humanitarian Affairs (OCHA),

the Office on Drugs and Crime (UNODC),

the Department of Safety and Security (DSS),

the Economic Commission for Africa (ECA),

the Economic Commission for Europe (ECE),

the Economic Commission for Latin America and the Caribbean (ECLAC),

the Economic and Social Commission for Asia and the Pacific (ESCAP),

the Economic and Social Commission for Western Asia (ESCWA),

the Office of the United Nations High Commissioner for Human Rights (OHCHR),

the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Islands Developing States (OHRLLS);

The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA);

The Office of the United Nations High Commissioner for Refugees (UNHCR);

The United Nations Environment Programme (UNEP);

The United Nations Human Settlements Programme (UNHABITAT);

The United Nations Children's Fund (UNICEF);

The United Nations Development Programme (UNDP);

The United Nations Volunteers (UNV);

The United Nations Population Fund (UNFPA);

The International Trade Centre (ITC);

The United Nations University (UNU);

The United Nations Institute for Training and Research (UNITAR);

The World Food Programme (WFP);

The International Labour Organisation (ILO, adhered in 2003);

The Food and Agriculture Organization of the United Nations (FAO, adhered in 2003);

The United Nations Industrial Development Organization (UNIDO, adhered in 2003);

The World Health Organization (WHO, adhered in 2003);

The World Meteorological Organization (WMO, adhered in 2003);

The United Nations Educational, Scientific and Cultural Organization (UNESCO, adhered in 2004);

The International Atomic Energy Agency (IAEA, adhered in 2004);

The International Fund for Agricultural Development (IFAD, adhered in 2004);

The International Civil Aviation Organization (ICAO, adhered in 2005);

The United Nations Office for Project Services (UNOPS, adhered in 2008);

The International Telecommunication Union (ITU, adhered in 2009);

The United Nations Capital Development Fund (UNCFD, adhered in 2010);

The United Nations Entity for Gender Equality and the Empowerment of Women (UNWOMEN, adhered in 2011);

The Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO, adhered in 2011);

The International Maritime Organisation (IMO, adhered in 2015);

The International Organization for Migration (IOM, adhered in 2016);

The United Nations Institute for Disarmament Research (UNIDIR, adhered in 2016).