

FINANCIAL MANAGEMENT FRAMEWORK AGREEMENT

between

THE WORLD BANK AND THE UNITED NATIONS

This Financial Management Framework Agreement (hereinafter referred to as the "Agreement") is between the World Bank¹, both in its own capacity and as administrator of trust funds established with contributions from various donors, and the United Nations^{2 3}.

1. The WB makes grants to UN Organizations from its own funds and from funds administered by it in trust funds established by one or more donors (hereinafter referred to as "Grant Funds"). Grant Funds benefit either (i) developing countries by providing support for particular programs being implemented with the assistance of a UN Organization; or (ii) a UN Organization by supporting global and regional initiatives in research, policy formulation and such other areas as may be agreed from time to time between the WB and a UN Organization. This Agreement sets out how the Parties, acting within their respective applicable policies, rules and procedures, obtain reasonable audit assurance on the use of Grant Funds provided by the WB to a UN Organization.

2. The WB's *Operational Policy 10.02 Financial Management* requires that the borrower (or recipient) maintains adequate financial management systems, prepares accounts and provides audited financial statements that reflect the activities of the operation supported by the WB or WB-administered funds. The Policy also requires that the financial statements be prepared in accordance with accounting standards acceptable to the WB and that the audit be conducted in accordance with auditing standards acceptable to the WB. It further requires that the scope of the audit and the independent auditors who conduct it be acceptable to the WB. The WB requires that the financial statements normally be audited annually, and provided to it no later than 6 months after the end of the reporting period.

¹ The term the "World Bank" means, and the acronym "WB" refers, collectively, to the International Bank for Reconstruction and Development and the International Development Association.

² The term the "United Nations" means, and the acronym "UN" refers, collectively, to the organizations listed in Annex 2 to this Agreement, and also includes any other UN organization which, after the date of signature of this Agreement, shall sign the form of letter of Acknowledgement and Accession included as Annex 4 to this Agreement pursuant to Section 13 hereof, and each of these organizations is sometimes referred to herein, individually, as a "UN Organization".

³ For simplicity, this Framework Agreement refers throughout to the United Nations Financial Regulations and Rules, the UN Board of Auditors, the UN Controller, the UN Secretary-General and the General Assembly (collectively, the "UN Arrangements"). Equivalent acceptable arrangements prevail and terms apply to those UN Organizations which, after the date of this Agreement, shall have signed the form of letter of Acknowledgement and Accession included as Annex 4 to this Agreement. These "equivalent" arrangements for such UN Organizations are set out in the relevant letter of Acknowledgement and Accession. The parties agree that, for purposes of these UN Organizations, references (i) in this Framework Agreement to the UN Arrangements will be construed as references to the equivalent arrangements applicable to a particular UN Organization, and (ii) in Sections 9 and 10 of this Framework Agreement to the UN, the UN General Assembly and the UN Controller will be construed as references to the relevant UN Organization, the supreme decision-making body of such UN Organization and the equivalent officer in the such UN Organization.



3. The *Financial Regulations and Rules of the United Nations* (ST/SGB/2003/7 dated May 9, 2003) (hereinafter referred to as the "UN Financial Regulations") provide for accounts to be maintained and prepared in compliance with the UN System Accounting Standards (Revision VI, dated April 21, 2004) and for the UN General Assembly to appoint a Board of Auditors to perform the external audit of the accounts of the UN. The UN Financial Regulations also provide for the UN Board of Auditors to consist of three members, each of whom shall be the Auditor-General (or officer holding the equivalent title) of a Member State, and for the audit to be conducted in conformity with generally accepted common auditing standards. The audited financial statements are required to be submitted to the UN General Assembly at its main session, from October through December of the first year of the subsequent biennium.

4. While broadly speaking the overall financial management policies and requirements of the WB and the UN are aligned, one exception concerns external audit. The UN Financial Regulations give the UN's external auditors, the UN Board of Auditors, the exclusive right to audit the accounts and statements of the UN and allow only the UN General Assembly to direct, and the UN Advisory Committee on Administrative and Budgetary Questions to request, the UN Board of Auditors to conduct specific audits. At the same time, WB audit policies provide for an exemption from its normal requirements if the borrower (or recipient) has more cost-effective mechanisms that provide the WB with "equivalent assurance" that WB proceeds have been used appropriately. In all such cases, however, WB policy requires it to retain the right to request an audit.

5. This Agreement is therefore based on the principle that, in respect of audit requirements, the WB will, under normal circumstances, obtain "equivalent assurance" through the framework of the UN Financial Regulations, while also at the same time retaining a right to request the institution of the procedures set out in Section 9 below, in respect of the transactions related to activities supported by WB or WB-administered funds.

Grant Agreements – Financial Management Provisions

6. (i) Subject to paragraph (ii) of this Section 6 below, all grant agreements between the WB and a UN Organization as a direct recipient of Grant Funds concluded after the date of signature of this Agreement will include, among other provisions in the relevant Recipient-executed Trust Fund Grant Agreement, the financial management-related provisions set forth in Annex 1 (collectively, the "FM Provisions"), which Recipient-executed Trust Fund Grant Agreement is referred to in said provisions as the "Letter Agreement" and which FM Provisions will accordingly replace the corresponding language otherwise usually provided in the Bank's standard model form Recipient-executed Trust Fund Grant Agreement.

(ii) In keeping with its customary practice, the WB from time to time reviews and amends its operating policies and procedures, as well as its model form legal agreements. Nothing contained in this Agreement shall be construed or interpreted to limit or restrict the right of the WB to unilaterally amend these operating policies, procedures and model form legal agreements at any time. However, such amendments which enter into force after the signature of a Recipient-executed Trust Fund Grant Agreement previously signed between the WB and a UN Organization as a direct grant recipient of WB or WB-administered funds shall not affect such Recipient-executed Trust Fund Grant Agreement.

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Operation of the Standard Audit Requirements

7. Throughout the period covered by this Agreement, and commencing on March 10, 2006, the UN shall make available to the WB a copy of its biennial financial statements, as audited by the UN Board of Auditors, within 10 days of these being presented to the UN General Assembly.

8. The UN shall promptly notify the WB of any findings pertaining to activities supported by WB or WB-administered funds that have been brought to the attention of the General Assembly by the UN Board of Auditors pursuant to paragraphs 3, 4, 6 (b) or (c), 7 or 8 of the Annex to the UN Financial Regulations or their equivalent.

9. In the event that any Party becomes aware of factors that would indicate a need for a closer scrutiny of WB funded or administered activities, the Parties agree to adopt the following procedures:

(i) Step 1 – These factors will be brought promptly to the attention of the UN Controller and the normal UN accountability framework (including, without limitation, interventions by the UN inspector general concerned, the UN Joint Inspection Unit, and the UN Office of Internal Oversight Services, as may be appropriate in the particular circumstances) will be implemented fully, in a timely and effective manner, to examine and address them. The UN shall cause the UN Controller to provide written progress reports at least every three months to the Vice President, Operations Policy & Country Services of the WB regarding the results of the implementation and a final report at its conclusion.

(ii) Step 2 – In the event that the WB reasonably believes that a full accounting has not been achieved under Step 1 above, the WB may request that a joint review mechanism (the “Joint Review Mechanism”) be established, consisting on the one hand of the Vice President, Operations Policy & Country Services of the WB, and, on the other hand, the UN Controller. The Joint Review Mechanism will determine any further steps that need to be taken in order for the situation to be rectified and the timeframe for the implementation of any such measures.

(iii) Step 3 – In the event that the Joint Review Mechanism is unable to reach agreement or to arrive at a conclusion reasonably satisfactory to the WB, then the WB may request the UN Controller on behalf of the UN to take promptly the steps necessary in accordance with the UN Financial Regulations to bring the matter to the attention of the UN Board of Auditors. The UN shall cause the UN Controller to provide the Vice President, Operations Policy & Country Services of the WB with a report of the action taken and its results, promptly following the conclusion of such action, and in any event shall provide a report on the current status of such matter within forty-five days of the date of the original request and every forty-five days thereafter, unless otherwise agreed by the WB. Following its consideration of any report, the WB may request that the Joint Review Mechanism contemplated in Step 2 above be reconvened in order to determine any further steps that need to be taken in order for the situation to be rectified.

(iv) Step 4 – In the event that the WB reasonably believes that the preceding Steps have not been sufficient to allow it to fulfill its fiduciary obligation to ensure that the proceeds of the relevant Grant funds were used for eligible expenditures, it may suspend disbursements in accordance with Section 6.1 of the Annex to the relevant Grant Agreement.

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Amendment of UN Financial Regulations

10. Nothing contained in this Agreement shall be construed or interpreted to limit or restrict the right of the UN to unilaterally amend, suspend, abrogate, repeal or waive any of the UN Financial Regulations at any time. However:

(i) any UN Organization that has amended, suspended, abrogated, repealed or waived any of the UN Financial Regulations shall provide the WB with written notice of such amendment, suspension, abrogation, repeal or waiver as soon as reasonably possible and, in any event, within 30 days of the effective date thereof;

(ii) if the WB has received a notice in accordance with paragraph (i) of this Section 10, or if the WB has otherwise become aware of an amendment, suspension, abrogation, repeal or waiver of a UN Financial Regulation, the WB shall have the right to, and shall, consider whether such amendment, suspension, abrogation, repeal or waiver would allow it to fulfill its fiduciary obligation to ensure that the proceeds of WB or WB-administered funds are used for eligible expenditures (hereafter the "WB Fiduciary Obligation");

(iii) in the event that the WB reasonably believes that any amendment, suspension, abrogation, repeal or waiver would result in the inability of the WB to fulfill the WB Fiduciary Obligation the WB may:

(a) with respect to Recipient-Executed Trust Fund Grant Agreements then in effect between the WB and the relevant UN Organization - (collectively, the "Affected Grant Agreements") request that a Joint Review Mechanism be established in order to reach written agreement, within 30 days from the date of such request, on mutually acceptable alternative financial management arrangements to prevail for the remaining duration of all the "Affected Grant Agreements". If an agreement on such alternative arrangements cannot be reached within such period, then the WB shall have the right, at any time thereafter, by notice to the relevant UN Organization:

(a.1) to suspend, in whole or in part, the right of such UN Organization to make further withdrawals from the grant account under any or all of the Affected Grant Agreements. Upon suspension of any Affected Grant Agreement the WB may normally exempt from suspension payments for eligible expenditures with respect to: (a) technical and consultant services (including payment to seconded WB and UN agency staff) and training/fellowships whose interruption would disrupt critical technical work or cause personal hardship; (b) contracts signed prior to suspension for goods supplied, services provided, and works carried out within 60 days after the suspension date, provided that the WB receives withdrawal applications within 90 days after the suspension date; and (c) other items whose exemption is, in the WB's judgment, in the interest of the project, including items whose exemption will (i) minimize delays and cost in the event that the suspension is lifted, or (ii) permit an orderly termination of the project; and/or

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(a.2) to terminate the right of such UN Organization to make further withdrawals from the grant account under any or all of the Affected Grant Agreements and cancel any remaining unwithdrawn balance in the grant accounts of the relevant Affected Grant Agreements, whereupon the relevant UN Organization shall forthwith refund to the WB without further notice any remaining balance(s) of funds held by the relevant UN Organization in connection with the Affected Grant Agreement(s); and

(b) with respect to Grant Agreements not yet in effect, the WB shall have the right, by notice to the relevant UN Organization, to suspend, in whole or in part, and/or to terminate the rights of such UN Organization under this Agreement; and

(iv) if a UN Organization that has amended, suspended, abrogated, repealed or waived any of the UN Financial Regulations fails to notify the WB in accordance with paragraph (i) of this Section 10, the WB shall have the right, by notice to the relevant UN Organization, to suspend, in whole or in part, and/or to terminate the rights of such UN Organization under this Agreement.

Miscellaneous Provisions

11. This Agreement will come into effect on March 10, 2006 and will be reviewed by the Parties no later than the fourth anniversary of such date of effectiveness, following which the Parties will decide whether this Agreement should be renewed (and, if so, for which period and on what terms), modified or terminated.

12. Any Party may terminate at any time its participation in the arrangements provided under this Agreement upon not less than 90 days' prior written notice to the other Party(-ies) in accordance with Section 14 of this Agreement, without effect upon its obligations accrued prior to such termination.

13. Any UN organization which, following the date of signature hereof, wishes to become a party to this Agreement, will sign and deliver to the WB the form of Letter of Acknowledgement and Accession included as Annex 4 hereto, and thereupon such UN organization will become vested with all the rights and obligations of a Party to this Agreement, with like effect as if originally a named Party.

14. Any action required or permitted to be taken, and any document required or permitted to be signed, under this Agreement may be taken or executed by the representative of the Party designated in Section 15 of this Agreement or any person thereunto authorized in writing by such representative. Any modification or amplification of the provisions of this Agreement may be agreed to on behalf of a Party by written instrument executed on behalf of the Party by the representative so designated or any person thereunto authorized in writing by such representative, provided that, in the opinion of such representative, such modification or amplification is reasonable in the circumstances and will not substantially increase the obligations of the Party under this Agreement. The Parties hereto other than the relevant signatory may accept the execution by such representative or other person of any such instrument as conclusive evidence that in the opinion of such representative any modification or amplification of the provisions of this Agreement effected by such instrument is reasonable in

the circumstances and will not substantially increase the obligations of the relevant Party hereunder.

15. (i) The Vice President, Operations Policy & Country Services of the WB is hereby designated as representative of the WB for the purposes of Section 14 above.

(ii) The Controller of the UN is hereby designated as representative of the UN for the purposes of Section 14 above.

(iii) The Officer in Charge of the FAO is hereby designated as representative of the FAO for the purposes of Section 14 above.

16. This Agreement may be executed in several counterparts, each of which shall be an original and all collectively but one instrument.

17. This Agreement represents the entire understanding between the Parties in relation to the subject matter thereof and supersedes any or all previous agreements or arrangements between the Parties in respect of financial management arrangements for activities supported by WB or WB-administered funds where the direct grant recipient is a UN Organization, whether oral or written.

18. All additions, amendments or variations to this Agreement shall be binding only if in writing and signed by the duly authorized representatives of the Parties hereto.

19. Any notice or request required or permitted to be given or made under this Agreement and any agreement between the Parties contemplated by this Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail, cable, telex or facsimile to the Party to which it is required or permitted to be given or made at such Party's address hereinafter specified, or at such other address as such Party shall have designated by notice to the Party giving such notice or making such request. Deliveries made by facsimile transmission shall also be confirmed by mail. The addresses so specified are:

For the WB:

International Bank for Reconstruction
and Development
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Attention: Vice President, Operations Policy & Country Services

| | | |
|------------------|--------------|----------------|
| Cable address: | Telex: | Facsimile: |
| INDEVAS | 248423 (MCI) | (202) 522-8381 |
| Washington, D.C. | 64145 (MCI) | |

For the UN:

United Nations
United Nations Headquarters
1st Avenue & 42nd Street
New York, NY 10017
United States of America

Attention: The Controller

Facsimile:

(212) 963-8061

For the FAO:

Food and Agriculture Organization of the United Nations
Liaison Office for North America
Suite 300
2175 K Street, N.W.
Washington, D.C. 20437
United States of America

Attention: Officer in Charge

Facsimile:

(202) 653-5760

20. The Annexes to this Agreement are an integral part hereof as if recited herein at length.

21. (i) The Parties shall, to the extent possible, strive to resolve promptly and amicably questions of interpretation and application of this Agreement and any disputes arising out of or in relation to this Agreement.

(ii) Any such dispute which has not been settled amicably by the WB, on the one hand, and a UN Organization, on the other hand, at the request of any Party, be settled by final and binding arbitration in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL) then obtaining, except as modified by this Section 21.

(iii) The arbitral tribunal shall consist of three arbitrators. One arbitrator shall be appointed by each of the disputing Parties. The two arbitrators so appointed will choose the third arbitrator, who will act as the presiding arbitrator of the arbitral tribunal.



(iv) In the event that the two arbitrators appointed pursuant to paragraph (iii) above cannot agree on the selection of the presiding arbitrator, or if either disputing Party shall fail to appoint its arbitrator, within twenty-one days of the appointment of the second arbitrator, in the former case, and within twenty-one days of receipt of a request from the other Party to so nominate an arbitrator, in the latter case, then such other arbitrator(s) shall be appointed by the Secretary-General of the Permanent Court of Arbitration.

(v) The arbitration proceedings shall be held in Washington, D.C., United States of America and shall be conducted in the English language.

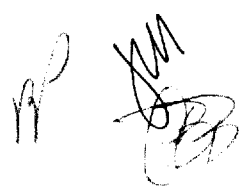
(vi) The arbitral tribunal should conduct the arbitral proceedings on the basis of documents and other materials only, unless the tribunal determines, in its absolute discretion, that it is necessary to hold an oral hearing.

(vii) The arbitral tribunal shall produce a final and binding award within three months of the tribunal being appointed. This period should only be extended in exceptional circumstances, as determined by the arbitral tribunal in its absolute discretion.

(viii) The provisions for arbitration set forth in this Section 21 shall be in lieu of any other procedure for the settlement of disputes among or between the parties to this Agreement.

(ix) Any notice in connection with any proceeding under this Section 21 or in connection with any proceeding to enforce any award rendered pursuant to this Section 21 may be made in the manner provided in Section 19 hereof.

22. Nothing in this Agreement shall operate or shall be construed as a waiver, renunciation or any other modification of any of the privileges, immunities or exemptions of any Party hereto under its organizational documents, or any international convention, or any applicable law, including, without limiting the generality of the foregoing, the privileges, immunities and exemptions of the WB under the Articles of Agreement of the International Bank for Reconstruction and Development or the Articles of Agreement of the International Development Association, or the privileges, immunities and exemptions of the United Nations under the Convention on the Privileges and Immunities of the United Nations, and of the Specialized Agencies under the Convention on the Privileges and Immunities of the Specialized Agencies, respectively.

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IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names on the dates hereinafter mentioned.

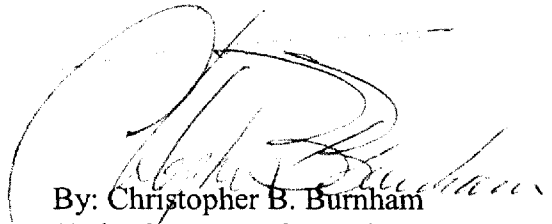
**INTERNATIONAL BANK FOR
FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION**



By: James W. Adams
Vice President
Operations Policy &
Country Services

Date: March 10, 2006

UNITED NATIONS



By: Christopher B. Burnham
Under Secretary-General
for Management

Date: March 10, 2006

**FOOD AND AGRICULTURE ORGANIZATION
OF THE UNITED NATIONS**



By: Robert Patterson
Officer in Charge

Date: March 10, 2006



**FINANCIAL MANAGEMENT-RELATED PROVISIONS FOR
RECIPIENT-EXECUTED TRUST FUND GRANT AGREEMENTS
(LETTER AGREEMENTS) BETWEEN
THE WORLD BANK AND THE UNITED NATIONS**

Cover Letter

“ The Grant is made in response to the Recipient’s request for financial assistance and for the purposes and on the terms and conditions set forth in the Annex to this Letter Agreement. Without limiting the generality of the foregoing, these terms and conditions include those of that certain Financial Management Framework Agreement between the World Bank and the United Nations, dated March 10, 2006 (Financial Management Framework Agreement), which are incorporated in this Letter Agreement to form a part hereof as if they were recited at length herein. The Recipient, by countersigning this Letter Agreement, acknowledges that it has received a copy of the Financial Management Framework Agreement and, if the Recipient was not an original signatory thereof, agrees that it is bound by the terms of the Financial Management Framework Agreement as if the Recipient had been an original party thereto. The Recipient represents, by confirming its agreement below, that (i) it is authorized to contract and withdraw the Grant for the said purposes and on the said terms and conditions and (ii) the references in sub-paragraphs (a) and (b) of paragraph 5 of the Annex to this Letter Agreement to the Recipient’s financial regulations and rules are complete and accurate, and the Recipient makes this representation knowing that the Bank shall rely on it for purposes of deciding to make the Grant.

Please confirm your agreement with the foregoing, on behalf of the Recipient, by signing, dating, and returning to us the enclosed copy of this Letter Agreement. Upon (i) receipt by the Bank of the copy of this Letter Agreement countersigned by you, and (ii) agreement reached between the Bank and the Recipient as to the format of the interim unaudited financial reports referred to in Section 5 (c) of the Annex to this Letter Agreement, this Letter Agreement will become effective as of the date of the countersignature.

...

Annex to the Letter Agreement⁴

4. Withdrawal of Grant Proceeds

...

4.5. Withdrawals from the Grant Account shall be made on the basis of the interim unaudited financial reports referred to in paragraph (c) of Section 5 and under such other terms and conditions as the Bank shall specify by notice to the Recipient contained in the

⁴ The numbered paragraphs that follow are those contained in the Annex to the Letter Agreement.



Disbursement Letter addressed or to be addressed by the [Bank][Association] to the Recipient for purposes of the Grant.

...

5. Accounts and Audits

(a) The Recipient shall maintain or cause to be maintained a financial management system, including records and accounts, adequate to reflect the transactions related to the Activities, in accordance with the requirements of the document ST/SGB/2003/7 *Financial Regulations and Rules of the United Nations*, dated May 9, 2003⁵ (hereinafter referred to as the Financial Regulations).

(b) The Recipient shall maintain in a separate account in its records (the Grant Control Account) a complete, true and faithful record of all the advances from the proceeds of the Grant and of all the expenditures paid from such advances.

(c) The Recipient shall prepare, on a [*state periodicity*] basis, interim unaudited financial reports, in accordance with accounting standards established pursuant to the Financial Regulations and in the format agreed with the Bank, adequate to reflect the operations, resources and expenditures related to the Activities. The first said interim unaudited financial reports shall be furnished to the Bank no later than [X] days after the end of the first [*state periodicity*] after the effectiveness of this Letter Agreement, and shall cover the period from the incurrence of the first expenditure under the Grant through the end of such first [*state periodicity*]; thereafter, each interim unaudited financial report shall be furnished to the Bank not later than [X] days after each subsequent [*state periodicity*], and shall cover such [*state periodicity*].

(d) The Recipient shall ensure that the audit of the Activities is governed by: (i) [Regulations 7.1, 7.4 and 7.11]⁶ of the Financial Regulations and (ii) the Financial Management Framework Agreement.

(e) The Recipient shall retain, until at least one year after the Bank has received the final interim unaudited financial report referred to in paragraph (b) of this Section 5 covering the [*state periodicity*] in which the last withdrawal from the Grant Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing all expenditures in respect of which withdrawals from the Grant Account were made.

6. Suspension and Cancellation

6.1. The Bank may at any time, by notice to the Recipient, suspend the right of the Recipient to make further withdrawals from the Grant Account if any of the following events has occurred and is continuing: ... or (c) if, by notice sent jointly to the United Nations and the Recipient pursuant to paragraph (iv) of Section 9 of the

⁵ Replace with appropriate reference to the financial regulations of the Recipient.

⁶ Replace with appropriate reference to the financial regulations of the Recipient.

Financial Management Framework Agreement, the Bank confirms that it reasonably believes the actions taken previously in accordance with said Section 9 have not been sufficient to fulfill its fiduciary obligation to ensure that the proceeds of the Grant were used for eligible expenditures; or (d) if, by notice sent jointly to the United Nations and the Recipient pursuant to sub-paragraph (a) of paragraph (iii) of Section 10 of the Financial Management Framework Agreement, the Bank confirms that alternative financial management arrangements mutually acceptable to the Bank and the relevant UN Organization were not reached within the period stipulated therein; or (e) if the Bank determines at any time that a reference in sub-paragraph (a) or (b) of paragraph 5 of the Annex to this Letter Agreement to the Recipient's financial regulations and rules is incomplete or inaccurate in any material respect. "

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| Name |
|-------------------------------------------------------------------------------------------------------------------------------------------|
| <i>UN Secretariat</i> ⁷ |
| • Office of Secretary General |
| • Office of Internal Oversight Services |
| • Office of Legal Affairs |
| • Department of Political Affairs |
| • Department for Disarmament Affairs |
| • Department of Peace-keeping Operations |
| • Office for the Coordination of Humanitarian Affairs |
| • Department of Economic and Social Affairs |
| • Department for General Assembly and Conference Management |
| • Department of Public Information |
| • Department of Management |
| • Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States |
| • Department of Safety and Security |
| • United Nations Office on Drugs and Crime |
| • UN Office at Geneva |
| • UN Office at Vienna |
| • UN Office at Nairobi |
| • Economic Commission for Africa (ECA) |
| • Economic Commission for Europe (ECE) |
| • Economic Commission for Latin America and the Caribbean (ECLAC) |
| • Economic and Social Commission for Asia and the Pacific (ESCAP) |
| • Economic and Social Commission for Western Asia (ESCWA) |
| • United Nations Conference on Trade and Development (UNCTAD) |
| • International Research and Training Institute for the Advancement of Women (INSTRAW) |
| • Office of the United Nations High Commissioner for Human Rights |
| • Office of the Special Adviser on Africa |
| <i>United Nations Interregional Crime and Justice Research Institute (UNICRI)</i> |
| <i>United Nations Institute for Disarmament Research (UNIDIR)</i> |
| <i>United Nations System Staff College (UNSSC)</i> |
| <i>International Trade Centre UNCTAD/WTO (ITC)</i> |
| <i>United Nations University (UNU)</i> |

⁷ The parties acknowledge that, any entity created by the United Nations after the date of this Agreement and which is under the direct control of and reports to the UN Secretariat, will enjoy the benefits of this Agreement without the need for it to sign the form of Letter of Acknowledgement and Accession. This Agreement will apply to any such entity as and from the date of receipt by the World Bank of notification from the United Nations of the creation of such entity.

| Name |
|-----------------------------------------------------------------------------------------------|
| |
| <i>United Nations High Commissioner for Refugees</i> |
| |
| <i>United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)</i> |
| <i>United Nations Institute for Training and Research (UNITAR)</i> |
| |
| <i>United Nations Environment Program (UNEP)</i> |
| |
| <i>United Nations Human Settlements Programme (UN-HABITAT)</i> |
| |
| <i>United Nations Drug Control Programme (UNDCP)</i> |
| |
| <i>Food and Agriculture Organization of the United Nations (FAO)</i> |



UN ORGANIZATIONS SUBJECT TO "EQUIVALENT" ARRANGEMENTS

| Name | Governing Body | Equivalent Financial Regulations and Rules (Letter Agreement, Section 5 (a)) | Equivalent regulations relating to the appointment of external auditor * (Letter Agreement, Section 5 (c)) | Equivalent regulations relating to the treatment of findings brought to the attention of external auditor (Framework Agreement, Section 8) | Equivalent regulations relating to a request to the auditors to undertake a special examination (Framework Agreement, Section 9, Step 3) |
|----------------------------------------------------------------------|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Food and Agriculture Organization of the United Nations (FAO)</i> | <ul style="list-style-type: none"> • FAO Conference • Director General | FAO Financial Regulations, as amended in 2005 | Regulation XII paragraph 12.1 | Paragraphs 3, 4, 6 (b), 6 (c), 7 and 8 of the Appendix to the Financial Regulations | Regulation XII, paragraph 12.6 |

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**FINANCIAL MANAGEMENT FRAMEWORK AGREEMENT
ACNOWLEDGEMENT AND ACCESSION**

[Official Letterhead of UN Organization]

[Date]

**International Bank for
Reconstruction and Development
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America**

**United Nations
United Nations Headquarters
1st Avenue & 42nd Street
New York, NY 10017
United States of America**

Dear Sirs:

Financial Management Framework Agreement dated March 10, 2006

We refer to the Financial Management Framework Agreement (the Agreement), dated March 10, 2006, between the International Bank for Reconstruction and Development, the International Development Association and the United Nations.

We acknowledge having received a copy of the Agreement and we agree that from and as of the date of this letter the *[Insert name of UN Organization]* shall be bound by the terms thereof as if it had been an original Party to the Agreement.

We confirm that the information provided overleaf in respect of "equivalent" arrangements for purposes of Sections 4 and 5 of the Agreement is accurate in all respects and you may rely upon it.

The *[Insert title of authorized officer]* will be the representative of *[Insert name of UN Organization]* for the purposes of Section 15 of the Agreement.

The address of *[Insert name of UN Organization]* for the purposes of Section 19 of the Agreement is as follows: *[Insert address]*

Very truly yours,

[Insert name of UN Organization]

By

Authorized Representative

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**“EQUIVALENT” ARRANGEMENTS FOR PURPOSES OF
SECTIONS 4 AND 5
FINANCIAL MANAGEMENT FRAMEWORK AGREEMENT**

| Name | Governing Body | Equivalent Financial Regulations and Rules (Letter Agreement, Section 5 (a) “FM Provisions”) | Equivalent regulations relating to the appointment of external auditor (Letter Agreement, Section 5 (d) “FM Provisions”) | Equivalent regulations relating to the treatment of findings brought to the attention of external auditor (Framework Agreement, Section 8) | Equivalent regulations relating to a request to the auditors to undertake a special examination (Framework Agreement, Section 9, Step 3) |
|-------------|-----------------------|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
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