**Pass-through Management when UNDP as Administrative Agent**

**Accountability for the Administrative Agent function**

1. UNDP is often called upon to play the role of Administrative Agent (AA) for Multi-Donor Trust Funds (MDTFs), One UN Funds and Joint Programmes (JPs) using the pass-through fund management modality established by the UN system. The pass-through modality is used for UN inter-agency pooled funds that operate in humanitarian, transition, development and climate change contexts. It is used both for global, regional, sub-regional and country level inter-agency pooled funds.
2. As outlined in the UNDG “[Protocol on the Administrative Agent for Multi Donor Trust Funds, Joint Programmes, and One UN Funds](https://popp.undp.org/node/626)”, the AA is the administrative interface between the donors contributing to the particular MDTFs/JPs/One UN Fund and the Participating UN Organizations responsible for fund implementation. The AA is accountable for effective and impartial fiduciary management of the Fund in accordance with UNSDG agreed policies and procedures. Further details on the fund administration functions of the AA as well the AA’s role in fund design, knowledge management and information sharing are outlined in the UNDG Protocol as well as in the [UNDG standard legal agreements for the pass-through fund management modality,](https://mptf.undp.org/page/unsdg-legal-documents-and-templates-pooled-funds) the Memorandum of Understanding and the Standard Administrative Arrangement.
3. As per the [Accountability when acting as Administrative Agent in MDTFs and/or UN Joint Programmes using the pass-through fund management modality](https://mptf.undp.org/page/unsdg-legal-documents-and-templates-pooled-funds), there will be a clear delineation between UNDP’s role as a Participating UN Organization implementing MDTF/JP/One UN Fund activities in line with its operational mandate on one hand and as AA on behalf of Participating UN Organizations on the other.
4. To establish an effective delineation between these two functions, accountability for UNDP’s function as Participating UN Organization will be exercised by the concerned Regional Bureaux and the Bureau for Policy and Programme Support (BPPS). The accountability for UNDP’s function as AA in MDTFs, One UN Funds and UN JPs using pass-through arrangements is delegated to the Executive Coordinator of the Multi-Partner Trust Fund Office (MPTF Office) reporting to the Assistant Administrator and Director of the Bureau of Management Services.
5. UNDP established the MPTF Office to operate as a UN center of expertise on pooled funding mechanisms. The MPTF Office will ensure the consistent application of the relevant UNSDG policy and guidance documents related to MDTFs, One Funds and JPs for which it is the AA. Furthermore, the MPTF Office will facilitate the systematic sharing of best-practices of UNDP’s implementation of its AA functions, including by being represented in its own right in the appropriate UN inter-agency mechanisms.
6. In carrying out UNDP’s AA functions, the MPTF Office will maintain the highest standards of transparency and accountability. As appropriate, the MPTF Office will consult with the BMS/Office of Legal Services and the UNSDG inter-agency oversight committees, including regarding the clearance of substantial deviations to the UNSDG standard MOU and SAA.

**Acceptance of AA role and thresholds**

1. All requests for UNDP to act as an AA for an MDTF, One Fund or Joint Programme need to be routed to the MPTF Office. The MPTF Office will review the request and the Executive Coordinator will take a decision on whether or not to accept the request, taking into account factors such as quality of fund design and adherence to the UNSDG threshold policy. Details on the UNSDG and MPTFO approaches to fund design can be found in [UNDG Guidance on Establishing, Managing and Closing MDTFs](https://mptf.undp.org/page/unsdg-legal-documents-and-templates-pooled-funds) and the [Manual on Designing Pooled Funds for Performance](https://mptf.undp.org/page/unsdg-legal-documents-and-templates-pooled-funds) (2015). The UNDG thresholds for establishing new MDTFs and One Funds are outlined in the following documents: [UNDG Thresholds for setting up MDTFs and One Funds](https://mptf.undp.org/page/unsdg-legal-documents-and-templates-pooled-funds) (2014) and [UNSDG Guidance Note on a New Generation of Joint Programmes](https://unsdg.un.org/resources/guidance-note-new-generation-joint-programmes) (October 2022) and [associated annexes](https://unsdg.un.org/resources/annexes-guidance-note-new-generation-joint-progammes).
2. In cases in which the proposed MDTF, One Fund or Joint Programme does not meet the thresholds for establishment of a new pass-through arrangements, the MPTF Office may advise alternative arrangements in line with UNSDG guidance, for structuring the financial arrangements in support of a proposed partnership.

**Delegation of Authority to Country Offices**

1. While accountability for UNDP’s AA function rests with the Executive Coordinator of the MPTF Office, specific tasks related to the AA function can be performed by UNDP Country Offices with the concurrence of the Resident Representative and with explicit delegation from the Executive Coordinator of the MPTF Office. The Delegation of Authority is only applicable to country-level MDTFs, One Funds and Joint Programmes that received an initial delegation of authority for a specific MDTF / One Fund / Joint Programme before January 2013 and whose delegation of authority has since then not been revoked.
2. In cases where the Executive Coordinator of the MPTF Office has delegated authority to the UNDP Country Office, the authority is delegated to the UNDP Country Director and where there is no Country Director, to the Deputy Resident Representative. The (Deputy) Country Director will, in the performance of the AA tasks at the country level, be accountable to the Executive Coordinator of the MPTF Office. Detailed agreements on the delegated performance of specific AA tasks will be established by the MPTF Office through a Delegation of Authority document, after having ensured that capacity requirements are met. The UNDP Country Office will ensure the proper delineation of UNDP’s dual functions as a Participating Organization and AA. The Executive Coordinator of the MPTF Office will provide oversight over the delegated functions.

**Administrative Agent fee**

1. The AA fee (currently 1 per cent) is established by the UNSDG, reflected in the [UNDG standard legal agreements for the pass-through fund management modality](https://mptf.undp.org/page/unsdg-legal-documents-and-templates-pooled-funds) and meant to cover the full costs of delivering the AA functions. Based on applicable guidelines of the Bureau of Management Services, a transparent apportionment of the associated AA fee revenue between the MPTF Office, (the UNDP Country Office that have received Delegations of Authority) and HQ Central Services reflecting the division of labor and associated workload of the different units will be agreed upon.
2. All AA fees received by UNDP will be considered exchange revenue. AA fee cash income, which is received when a donor contribution for a MDTF, One Fund or JP is applied, will be recognized as income only in relation to the proportion of AA services actually delivered for the given MDTF or JP. In line with current UNDP policy for revenue recognition of AA fees, AA fee income related to any given donor contribution is being recognized as exchange revenue in a linear fashion over a period of four years.

**Reporting**

1. The Executive Coordinator of the MPTF Office will submit an annual report on the activities of the MPTF Office to the Administrator, through the Director of the Bureau of Management Services, with a copy to the Associate Administrator, by 30 April of the following year.
2. The Executive Coordinator will also submit an annual report to the UNSDG oversight bodies in line with UNSDG policies. This report will include in an annex detailed information as per the UNSDG approved templates on contributions, AA fee, transfers and expenditures. This information will be fully quality ensured in view of publication on the website of the International Aid Transparency Initiative, IATI.

**Additional information**

1. The procedures for carrying out the AA function, when UNDP is the AA have been fully documented by the MPTF Office in the MPTF Office Operations Manual.
2. The [MPTF Office Gateway](https://mptf.undp.org/page/unsdg-legal-documents-and-templates-pooled-funds) provides real time financial information for UNDP as AA, including donor commitments and deposits, and transfers to and expenditures reported by Participating UN Organization. It also gives an overview of the MPTF Office portfolio and information and key documents on individual MDTFs, One Funds and Joint Programmes.