C.1 **Definition:** Under this option, two or more organizations develop a joint programme, identify funding gaps and submit a joint programme document to donor(s). If the donor(s) and participating UN organizations agree to channel the funds through one participating UN organization, then the pass-through modality applies. The UN organization channelling resources, hereinafter called the Administrative Agent (AA) would be jointly selected by all participating organizations. The programmatic and financial accountability will rest with the participating organizations and (sub-)national partners that would be managing their respective components of the Joint Programme.

C.2 **Resource Flow and Management:** The following graphic illustrates the fund flow under the pass-through fund management.

C.3 **Coordination Mechanism:** Once the joint programme has been developed and agreed jointly by the participating UN organizations, the arrangements for management, review, and coordination should be documented, including role and responsibilities of the AA. The joint programme coordination mechanism shall include all signatories to the joint programme document. It may also have other members, such as donors and other stakeholders, in an observer capacity.

C.4 **Selection of the Administrative Agent:** The UN organizations participating in the joint programme will select the AA, taking into consideration the following elements: i) Country presence; ii) Financial and administrative capacity to interface between donor(s) and participating UN organizations and iii) Thematic, functional and geographical area of expertise in the area covered by the programme.
C.5 **Reporting:**

a. **Participating UN organizations:** Each participating UN organization will prepare reports in accordance with its financial regulations and rules and operational policy guidance. Reports will be shared with the Joint Programme coordination mechanism in accordance with the Memorandum of Understanding (see Annex G). To the extent possible, reporting formats should be harmonized.

b. **Administrative Agent:** The Administrative Agent shall prepare consolidated narrative progress and financial reports consisting of the reports submitted by each participating UN organization, and shall provide those consolidated reports to each donor that has contributed to the joint programme account, in accordance with the timetable established in the Letter of Agreement (see Annex H).

C.6 **Monitoring and Evaluation:** Monitoring occurs throughout the year and culminates at the annual review of the common work plan. The planned monitoring activities and evaluation(s) of the joint programme should form part of the UNDAF M&E plan. Participating UN organizations should undertake joint field visits, where appropriate.

C.7 **Communication:** Each participating UN organization shall take appropriate measures to publicize the joint programme and to give due credit to the other participating UN organizations. Information given to the press, to the beneficiaries of the joint programme, all related publicity material, official notices, reports and publications, shall acknowledge the role of the host government, the donors, the participating UN organizations, the Administrative Agent and any other relevant parties. In particular, the Administrative Agent will include and ensure due recognition of the role of each participating UN organization and national partner in all external communications relating to the joint programme.

C.8 **Funding Arrangements:** Based on agreement of the joint programme coordination mechanism identified at country level, the AA will negotiate and sign a Letter of Agreement with the donor(s) in respect of the joint programme (see Annex H).

C.9 The AA will sign a Memorandum of Understanding with the participating UN organization (see Annex G). Each UN organization participating in the joint programme will programme and manage activities and funds in line with its established regulations and rules.

C.10 The donors should be encouraged to use the remittance advice when transferring funds, to facilitate a quick transfer of funds from the AA to the participating UN organizations (normally within 7-10 business days).

C.11 **Budget Preparation:** Each UN organization will prepare a separate budget, consistent with its procedures, and covering the mutually agreed parts of the programme that it will be managing. Budget formats should to the extent possible
be harmonized. The AA will prepare a consolidated budget for approval by the joint programme coordination mechanism.

C.12 Accounting:
   a. Administrative Agent: Funds received pursuant to the funding agreement signed with the donor(s) will be recorded by the AA in a joint programme account. The AA does not record funds channeled to other participating UN organizations as income. The AA records as income only those funds for which it is programmatically and financially accountable (i.e. for its part of the joint programme as a participating organization).
   b. Participating UN Organizations: Each UN organization participating in the joint programme will account for the funds distributed by the AA in respect of its components in the joint programme in accordance with its financial regulations and rules.

C.13 Admin Fee and Indirect Costs:
   a. Administrative Agent: The AA shall be entitled to allocate one percent (1%) of the amount contributed by donor(s), for its costs of performing the AA’s functions. This will be subject however to a floor of $20,000 and a ceiling of $100,000. In cases where the participating UN organizations and the AA agree that the AA’s responsibilities are more complex than the ‘standard’ responsibilities (see Letter of Agreement in Annex H for a list of “standard responsibilities”), a higher percentage for the AA fee may be agreed by the participating UN organizations or included as direct cost in the budget directly managed by the AA as appropriate.
   b. Participating UN Organizations: Each UN organization participating in the joint programme will recover indirect costs in accordance with its financial regulations and rules and as documented in the Memorandum of Understanding signed with the AA. The rate of recovery may vary between UN organizations participating in the joint programme, based on their applicable regulations and rules.

C.14 Interest: Interest, if any, will be administered in accordance with the financial regulations and rules of each UN organization participating in the joint programme. The AA should not accrue interest on the funds received from the donor(s) because they are expected to flow through almost immediately.

C.15 Balance of Funds:
   a. Participating UN Organizations: Any funds remaining after the financial closure of the programme will be returned to the AA.
   b. Administrative Agent: Any unprogrammed funds remaining in the joint programme account after the financial closure of the Joint Programme will be returned to the donor(s) or utilised in a manner agreed upon between the AA and the donor(s), and approval of the joint programme coordination mechanism.

C.16 Audit: Consistent with current practice, each UN organization will be responsible for auditing its own contribution to the programme as part of its existing regulations and rules. Audit opinions of the individual UN organizations should be accepted by the other UN organizations.