[DAY] [MONTH] [YEAR]

[Name etc. of Outcomes Funder focal point]

Dear [name],

Standard Outcomes Funding Agreement<sup>1</sup> between UNICEF, the United Nations Children's Fund, as host of the Education Outcomes Fund, and [full name of Outcomes Funder concerning funding for a programme supported by the Education Outcomes Fund and the Government of [name of country]

### **Confirmation of Funding**

The United Nations Children's Fund ("UNICEF") as host of the Education Outcomes Fund (the "EOF") secretariat and fund, is pleased to acknowledge the commitment of [full name of outcomes funder] (the "Outcomes Funder") to provide financing [subject to appropriate Parliamentary appropriation, ]<sup>2</sup> of [up to]<sup>3</sup> [amount in words; currency in words] ([amount in figures; currency in symbol]) (the "Outcomes Funding") in connection with the programme (the "Programme"), to be implemented in [name of country], as described in **Annex A** to this agreement (the "Programme Proposal"). The Programme is to be implemented (directly or indirectly) by (the "Grantee(s)") that [has been]/[will be] identified jointly by the EOF Secretariat and the Government of [name of country] through their respective standard processes, to receive parallel funding from the EOF (the "EOF Funding") and the Government (the "Government Funding". together with the EOF Funding, the "Funding") in order to achieve the outcomes listed in the Programme Proposal (the "Programme Outcomes"). The Programme is one of a number of programmes supported by the EOF. The EOF Funding will be transferred to the Grantee(s) pursuant to a standard grant confirmation letter (the "Grant Confirmation Letter"). The identification, preparation and supervision of the Programme is the responsibility of the EOF ExCom and the EOF Secretariat.

<sup>3</sup> DRAFTING NOTE - AMOUNT OF CONTRIBUTION: The bracketed language can be deleted if not applicable for the Outcomes Funder. This tracks language in the standard UNDG documentation.



<sup>1</sup> DRAFTING NOTE - NOMENCLATURE: Individual SFAs can be tailored such that all references to "Agreement" or "Standard Financing Agreement" or "agreement" become "Arrangement", "Standard Financing Arrangement", or "arrangement" as the case may be. <sup>2</sup> DRAFTING NOTE - PARLIAMENTARY APPROVAL: Some governments require this language. Therefore bracketed language should be deleted if not applicable. This tracks language in the standard UNDG documentation.

- 2. This letter will, upon your confirmation in the manner indicated below, constitute an agreement (the "<u>Agreement</u>" or the "<u>Standard Outcomes Funding Agreement</u>") between UNICEF and the Outcomes Funder, setting out all terms, conditions, requirements, and obligations between UNICEF and the Outcomes Funder with regard to the subject matter thereof. This letter is the standard-form agreement. This letter replaces and supersedes any previous agreements between UNICEF and the Outcomes Funder with regard to the same subject matter.
- 3. The Outcomes Funding will be applied solely in accordance with this Agreement.

#### The Account and the EOF Secretariat

### The Account

- 4. At the request of the founders of the EOF, UNICEF has established a special account (the "<u>Account</u>"), to receive, hold, administer, and disburse, funding for the operations of the EOF. The EOF Executive Committee (the "<u>EOF ExCom</u>") will direct the disbursements from the Account in accordance with this Agreement. All deposits to the Account will be subject to the special account administrative fee referred to in paragraph 6 below.
- 5. UNICEF agrees to establish and operate the Account, and to undertake the activities contemplated in this Agreement, on the understanding that UNICEF will be accountable for funds while on deposit in the Account and that the Governments, organisations and other entities or individuals receiving disbursements from the Account will have full and exclusive programmatic and financial accountability for the funds disbursed to them from the Account. Upon disbursing money from the Account, UNICEF shall have no responsibility, fiduciary or otherwise, for the use of such funds or for activities carried out therewith.
- 6. UNICEF will allocate an administrative fee of one percent (1%) of each deposit to the Account, to assist in defraying UNICEF's costs of administering the Account. Such fee will be allocated upon receipt of the Outcomes Funding and the balance will be deposited by UNICEF to the Account.

#### The Secretariat

- 7. At the further request of the founders of the EOF, UNICEF hosts a secretariat for the EOF (the "EOF Secretariat").
- 8. The EOF Secretariat is established administratively within UNICEF. It is operated and administered under the regulations, rules, policies, procedures, administrative instructions and other administrative issuances governing the operations of UNICEF including but not limited to those relating to personnel and financial administration, and the UNICEF Policy Prohibiting and Combatting Fraud and Corruption ("UNICEF Regulations").

- 9. Administrative support to the EOF, the EOF ExCom (together with its sub-committee and task teams), and the EOF Secretariat will be provided exclusively by UNICEF, including but not limited to administering all personnel matters including the administration of staff contracts and hiring of consultants; making all arrangements for travel and in-country logistical support in programme countries as needed; and other administrative support (including financial administration, legal support, information technology support); and conducting of internal audits if so determined by the UNICEF Office of Internal Audit and Investigation.
- 10. The annual activities of the EOF Secretariat will be set out in an annual work plan and budget developed by the Director of the EOF Secretariat (the "Director" or the "Director of the EOF Secretariat") and approved by the EOF ExCom following agreement by the UNICEF Comptroller that it complies with UNICEF Regulations including those as to budgeting. Each such annual budget will include both the direct costs of the activities in the work plan as well as EOF's share of the costs of the UNICEF Funds Support Office (the "UNICEF-FSO") and additional UNICEF support as required. Each such annual work plan and budget shall be agreed by the UNICEF Comptroller and approved by the EOF ExCom no later than sixty (60) days prior to the beginning of the calendar year to which it relates. Prior to the establishing of the first annual work plan and budget, the activities of the EOF Secretariat will be determined by the Director of the EOF Secretariat, and the budget for the EOF Secretariat will be agreed between the Director of the EOF Secretariat and the UNICEF Comptroller.
- 11. UNICEF and the EOF ExCom will make arrangements and agreements with regard to selection and appointment of the Director and personnel in the EOF Secretariat.
- 12. The premises for the EOF Secretariat's offices will be arranged by UNICEF in accordance with agreements to be reached between UNICEF and the EOF ExCom.

#### **The Funding**

- 13. UNICEF will establish a separate ledger account within the Account for the Programme (the "Programme Outcomes Funder Ledger Account"). Outcomes Funding earmarked to a particular Programme may be utilized by UNICEF to make payments to (i) the Grantee(s) under the Grant Confirmation Letter(s) in respect of such Programme; or (ii) to defray the costs of management and evaluation of the Programme as well as the EOF Secretariat costs.
- 14. The Outcomes Funding will be transferred:
- (a) [in [a single payment]/[several payments] of [amount in words; currency in words] ([amount in figures; currency in symbol]) to be made [on or around the date of this Agreement]/[on [specified date]]]; and/or
- (b) [by the Outcomes Funder within [five (5)] business days (in New York) of the date the Outcomes Funder receives a funding request from UNICEF (the "Funding Request Notice").



- (c) In addition, the Outcome Funder recognizes that in accordance with paragraph 18 of this agreement, the Account will be administered in United States Dollars and UNICEF will not absorb any gains or losses on currency exchanges, and that outcomes-based contracts require long-term advance commitment, making currency exchange risk particularly relevant. The Outcome Funder therefore agrees to transfer additional Outcomes Funding, which will be subject to the fees referred to in paragraph 6, in the event that fluctuations in the currency exchange rate result in a shortfall of Outcomes Funding, up to [xx%] of the Outcomes Funding. In the event of adverse currency fluctuations that result in a shortfall greater than [xx%] of the Outcomes Funding, the EOF ExCom will notify the Outcome Funder and both parties will consult on the manner in which such commitments and liabilities may be satisfied.]<sup>4</sup>
- 15. The Outcomes Funder will transfer the Outcomes Funding (or each installment thereof, as applicable) to UNICEF by depositing it into the following bank account:

UNICEF NY Cashier's Account No. 1 JP Morgan Chase Bank International Agencies Banking 277 Park Avenue, 23rd Floor New York, NY10172-003, USA Account No. 014-1-076224 Swift code: CHASUS 33

CHIPS ABA: 0002 UID 259366

Fed Wire: 0210 00021

- 16. When making the transfer, the Outcomes Funder will notify the UNICEF Global Shared Services Center by email (gssccashier@unicef.org) of the following: (a) the amount transferred; (b) the value date of the transfer; (c) that the transfer is from the Outcomes Funder in accordance with this Agreement, for deposit in the Account with regard to the Programme (including the EOF programme reference). UNICEF will apply the transferred funds to the Programme Outcomes Funder Ledger Account. UNICEF will promptly acknowledge receipt of funds in writing indicating the amount received (stated in the currency received and, if the transfer is in a currency other than United States dollars, in United States dollars applying the United Nations operational rate of exchange on the date of receipt) and the date of receipt.
- 17. If paying the Outcomes Funding in installments, the Outcomes Funder reserves the right to suspend payment of second or further installments of the Outcomes Funding and to terminate this Agreement if there are credible allegations of improper use of the funds while on deposit in

<sup>\*</sup>DRAFTING NOTE: This paragraph 14 (c) will only apply when the Outcome Funder is not able to commit funding in United States Dollars. The percentage rate will be determined by the EOF Secretariat for each Programme. The bracketed language can be deleted if not applicable.



the Account; <u>provided however that</u> before suspending future transfers of the Outcomes Funding or terminating this Agreement, the Outcomes Funder will (a) consult with the Director of the EOF Secretariat and, if necessary, the EOF ExCom and UNICEF, with a view to promptly resolving the Outcomes Funder's concerns; and (b) confirm in writing to the EOF Secretariat and UNICEF that it has made arrangements with the Grantee(s) (in accordance with paragraphs 23 to 28 below) for payment of the Outcomes Funding directly to the Grantee(s) upon direction from the EOF Secretariat.

18. The Account is established and administered in accordance with the Financial Regulations, Rules, procedures, and administrative instructions and other administrative issuances governing the operations of UNICEF including but not limited to those relating to interest and internal and external audit, and will be subject exclusively to internal and external audit in accordance with the regulations, rules, and procedures of UNICEF. The Account will be conducted in United States dollars. The United States dollar value of the Outcomes Funding, if made in a currency other than United States dollars, will be determined by applying the United Nations operational rate of exchange in effect on the date of receipt of the Outcomes Funding (or each installment thereof, if paid in installments). UNICEF will not absorb gains or losses on currency exchanges. Such amounts will increase or decrease the funds available for disbursement from the Programme Outcomes Funder Ledger Account. The Outcomes Funder acknowledges that notwithstanding the use of separate ledger accounts, the Outcomes Funding will be co-mingled with other deposits to the Account and that it will not otherwise be separately identified or administered.

### **Evaluation of the Programme**

- 19. Evaluation of the Programme will be undertaken in accordance with the evaluation procedures set out in the Programme Document applicable to that Programme (the "Programme Document") attached to the Grant Confirmation Letter.
- 20. As set out in the Programme Document, an independent expert evaluation of the outcomes achieved by the Programme (the "Evaluation") will be undertaken by an independent expert to be engaged by the EOF Secretariat (the "Evaluator"), following consultation between the EOF Secretariat and the Outcome Funder. The Grantee(s) will be required, upon request, to assist in providing relevant information within the limits of its regulations, rules, policies and procedures. [The]/[Each] report of the Evaluation (the "Evaluation Report") will include a summary dashboard setting out the Programme Outcomes achieved by the Grantee(s) for the relevant period. The results of [the]/[each] Evaluation will be delivered to the EOF Secretariat by the Evaluator. The EOF Secretariat will make the results of the Evaluation available to the EOF ExCom, the Grantee(s), the Government, and the Outcomes Funder.
- 21. It is understood and agreed by the Outcomes Funder that (a) the purpose of the Evaluation is to determine whether the Programme Outcomes have been achieved; (b) the Evaluation is restricted to programmatic assessments and will not constitute or otherwise seek to be, a financial, compliance or other audit of any Programme or use of the Funding; and (c) the results of the Evaluation will not be subject to review or contest by the Outcomes Funder.



22. The Outcome Funder may, separately or jointly with other Outcome Funders, and following consultation with the EOF ExCom, take the initiative to evaluate the Programme in addition to the evaluation conducted pursuant to the Evaluator. The Grantee(s) will be expected, upon request, to assist in providing relevant information within the limits of their regulations, rules, policies and procedures. All costs will be borne by the respective Outcome Funder, unless otherwise agreed.<sup>5</sup>

### **Disbursement of the Funding**

- 23. UNICEF will disburse the Outcomes Funding to the Grantee(s) solely in accordance with instructions from the EOF ExCom as conveyed to UNICEF by the EOF Secretariat and as set out in this Agreement and in accordance with the [relevant] Grant Confirmation Letter and Programme Document.
- 24. The EOF ExCom will determine, following agreement with the Government and based on the Programme Outcomes achieved as determined by the relevant Evaluation Report, the amount (if any) of Outcomes Funding payable by the Outcomes Funder to the Grantee(s), and will instruct UNICEF to transfer the EOF portion of the Outcomes Payment with a written notification (the "Outcomes Funding Payment Notice") to that effect.
- 25. UNICEF will within twenty (20) business days (in New York) after receiving the Outcomes Funding Payment Notice transfer to the Grantee(s) the amount specified in such notice; provided however that if the amount of the uncommitted Outcomes Funding available in the Programme Outcomes Funder Ledger Account held by UNICEF is less than the amount specified in such notice, UNICEF will transfer to the Grantee(s) the amount held by UNICEF and will issue to the Outcomes Funder a supplementary Funding Request Notice (the "Supplementary Funding Request Notice") for the amount of the shortfall. Transfers made by the Outcomes Funder to UNICEF in response to any Supplementary Funding Request Notice will be subject to the fees referred to in paragraph 6 and the net amount will be transferred to the Grantee(s) in full and final discharge of UNICEF's responsibility to transfer Outcomes Funding to the Grantee(s).
- 26. UNICEF will transfer the Outcomes Funding to the Grantee(s) by depositing it into the bank account designated by the EOF Secretariat in the Outcomes Funding Payment Notice.

<sup>&</sup>lt;sup>5</sup> DRAFTING NOTE: Where the Grantee is an organisation of the UN System, the following sentence will be added at this point: "It is understood by the Outcomes Funder and the EOF ExCom that such evaluations or reviews are to be restricted to programmatic assessments and are not to constitute a financial, compliance or other audit of any Programme or use of Grant funds."

- 27. When making the transfer, UNICEF will notify the Grantee(s), at the email address designated by the EOF Secretariat in the Outcomes Funding Payment Notice, of the following: (a) the amount transferred; (b) the value date of the transfer; (c) that the transfer is from UNICEF on behalf of the Outcomes Funder for the outcomes achieved in the Programme. UNICEF will send a copy of such notification to the EOF Secretariat, the Government, and to the Outcomes Funder.
- 28. It is understood and agreed by the Outcomes Funder that determinations by the EOF Secretariat with regard to the amount (if any) of Outcomes Funding to be transferred to the Grantee(s) shall be deemed valid and correct and will not be subject to review or appeal, and that decisions of UNICEF with regard to amounts available for transfer to the Grantee(s) shall be deemed valid and correct and will not be subject to review or appeal. It is further understood that any dispute, controversy or claim between the EOF, the Government and the Grantees arising out of, or in connection with, the Grant Confirmation Letter will be resolved as defined in paragraph 52 of the Grant Confirmation Letter. The Outcomes Funder agrees that all claims, questions, demands, and disputes involving the Outcomes Funder and the Grantee(s), which do not involve the EOF Secretariat, EOF ExCom or UNICEF, will be handled by the Outcomes Funder. With respect to any claims, questions, demands, and disputes made by the Grantee(s) against or involving UNICEF, the Outcomes Funder will fully indemnify UNICEF (with the sole exception of claims arising exclusively out of willful misconduct on the part of UNICEF).

#### **Other Matters**

#### Evaluation of the EOF

29. The EOF ExCom may, from time to time, initiate an evaluation of the overall achievement of the EOF, with the cost of such evaluation to be paid from the budget for the EOF Secretariat.

#### Allegations of Fraud or Diversion of Balances in the Account or within the EOF Secretariat

30. If UNICEF receives an allegation of misuse of funds in the Account or of fraud within the EOF Secretariat and determines that such allegation is credible enough to warrant an investigation, it will promptly notify the Outcomes Funder and the EOF ExCom. The allegation will be dealt with promptly in accordance with UNICEF's accountability and oversight framework including with regard to initiating and completing an investigation of such allegation. UNICEF will keep the Outcomes Funder and the EOF ExCom informed about the progress of the investigation. Promptly upon completion of the investigation, UNICEF will inform the Outcomes Funder and the EOF ExCom about the results of the investigation. UNICEF will either (i) repay to the Account any amounts misappropriated by UNICEF staff members while on deposit in the Account; or (ii) initiate appropriate recovery efforts for any amounts misappropriated by third parties and repay to the Account all amounts recovered. The Outcome Funder may request that such recovered misappropriated amounts be returned to it in proportion to its contribution to the Account. All communications between UNICEF, the Outcomes Funder and the EOF ExCom described in this paragraph 30 shall be subject to not compromising the integrity of any

investigation and/or the safety, security, privacy and/or due process rights of any concerned individuals, as well as UNICEF's Regulations.

### Fraud or Diversion of Outcome Funding by Grantees

31. UNICEF will convey to the Outcomes Funder information received by it under the relevant Grant Confirmation Letter with regard to possible fraud or diversion of the Outcomes Funding. The Outcomes Funder may, after consultation with the EOF ExCom, UNICEF, and all other Outcomes Funders, assert an interest in the exercise of the EOF ExCom rights with regard to a Grantee (as contemplated in Section II, paragraph 17 of the Grant Confirmation Letter) in the event the EOF ExCom determines that any portion of the Funding, or any supplies and equipment purchased using such Funding, have not been used in accordance with the Grant Confirmation Letter.

#### **Ethical Conduct**

32. The Outcome Funder and UNICEF have a zero tolerance for and are firmly committed to take all necessary measures to prevent and address instances of sexual exploitation, sexual abuse, and sexual harassment in their activities, in accordance their regulations, rules and policies, and recognize the importance of their respective personnel to adhere to the highest standards of integrity and conduct, as defined in their respective policies. In that regard, the Outcome Funder and UNICEF take particular note of Section II paragraph 12 of the Grant Confirmation Letter attached to this Agreement.

### Financing of terrorism

33. Consistent with numerous applicable United Nations Security Council resolutions, including S/RES/1267 (1999), S/RES/1373 (2001) and related resolutions, UNICEF and the Outcome Funder are firmly committed to the international fight against terrorism and the financing of terrorism, and in that regard take particular note of Section II, paragraph 13 of the standard Grant Confirmation Letter attached to this Agreement.

#### Reports by UNICEF

34. UNICEF will provide the following reports with regard to the Account: (a) an annual certified financial report of the Account (but not individual ledger accounts within the Account) for each calendar year or part thereof during which UNICEF operates the Account, to be provided no later than 30 June of the year immediately following the calendar year to which it relates; (b) a final financial report ("money in, money out") upon the closing of the Account, to be provided no later than six (6) months after the reconciliation of all final financial reports from the Grantee(s) together with receipt of all amounts repayable to the Account and final financial closing of the Account; and (c) any internal or external audit reports of UNICEF that make reference to the Account.

- 35. UNICEF will provide the following financial reports with regard to the EOF Secretariat: (a) an annual certified financial report for each calendar year or part thereof during which UNICEF hosts the EOF Secretariat, to be provided no later than 30 June of the year immediately following the calendar year to which it relates; (b) a final certified financial report with regard to the EOF Secretariat, to be provided no later than eighteen (18) months after the final financial closing of the Account; and (c) any internal or external audit reports of UNICEF that make reference to the EOF Secretariat.
- 36. The reports referred to in paragraphs 34 and 35 above will be provided to the Outcomes Funder and to the EOF ExCom. UNICEF will not be required to provide any reports under this Agreement other than those referred to in paragraphs 34 and 35 above. Reports on the progress of the Programme, including the challenges faced, risks identified, and mitigation strategies adopted, will be provided by the EOF ExCom to the Outcomes Funder. The EOF ExCom will also inform the Outcome Funder, in a timely manner of any significant modification of the Programme Proposal. To the extent practicable, the EOF ExCom will afford the Outcome Funder a reasonable opportunity to exchange views before effecting any such modification.

### Term; Winding Up the Account

37. This Agreement will enter into force on the date of the confirmation written below and will continue until the Outcomes Funding arrangements set out in paragraphs 23 to 28 above are completed or the Account is wound up (whichever is first to occur), unless terminated by either UNICEF or the Outcomes Funder before then, by giving the other not less than three (3) months written notice. It is understood that neither UNICEF or the Outcome Funder will terminate this Agreement unless it consulted in advance with the EOF ExCom and has taken into account the impact of such termination on the Programme activities. In the event of early termination of this Agreement which would result in the early termination of the Grant Confirmation Letter entered into by a Grantee(s) for the implementation of the Programme, the Outcome Funder shall pay a portion of default termination sum (the "Commissioner Default Termination Sum") (as provided for in Section V, paragraphs 40 and 41 of the Grant Confirmation Letter attached to this Agreement) proportional to its contribution to the Outcome Funding for the Programme. Remaining uncommitted balances, if any, in the Programme Outcomes Funder's Ledger Account upon termination or expiration of this Agreement [shall be returned to the Outcomes Funder within [20] business days (in New York) of termination of this Agreement] / [will be managed by the EOF Secretariat as directed by the ExCom].

#### Miscellaneous

- 38. This Agreement [is considered an administrative arrangement and not an international treaty and]<sup>6</sup> sets out UNICEF's only duties and obligations towards the Outcomes Funder in connection with the receiving, holding, administering, disbursing, and reporting of the Outcomes Funding, the other funds in the Account, and the hosting of the EOF Secretariat, and there are no other implied duties and obligations in that regard. Without in any way limiting the generality of the previous sentence, UNICEF in its capacity as holder of the Outcomes Funding will have no duties, obligations or accountabilities under this Agreement or otherwise in connection with funds transferred from the Account.
- 39. Notices will be deemed to be effective as follows: in the case of registered mail, seven (7) days; in the case of facsimiles, twenty-four (24) hours following confirmed transmission. Any notice, request or consent required or permitted to be given or made pursuant to this Agreement will be in writing, and addressed and sent by registered mail or facsimile to such Party as follows:

#### (a) If to UNICEF:

UNICEF, the United Nations Children's Fund UNICEF House Three United Nations Plaza New York, New York 10017 Tel: +1 (212) 326-7000

Fax: +1 (212) 326-7004 Att: The Comptroller

#### (b) If to the Outcomes Funder:

[details]

in each case with a copy to the Director of the EOF Secretariat.

- 40. Any dispute, controversy, or claim arising out of or relating to this Agreement between the Outcomes Funder and UNICEF or between the Outcomes Funder and the EOF Secretariat or EOF ExCom, will be resolved through amicable negotiation.
- 41. Nothing in or relating to this Agreement will be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations and its subsidiary organs, including

<sup>&</sup>lt;sup>6</sup> **DRAFTING NOTE:** Some Outcome Funders might require this language in the Standard Financing Agreement/Arrangement. Therefore bracketed language will be added if applicable.



UNICEF, whether under the Convention on the Privileges and Immunities of the United Nations or otherwise, and no provision of this Agreement will be interpreted or applied in a manner, or to an extent, inconsistent with such privileges and immunities.

42. This Agreement can only be amended by written instrument signed by UNICEF and the Outcomes Funder, with prior written approval of the EOF ExCom.

| Sincerely,  |
|---|
| Thomas Asare<br>Comptroller<br>United Nations Children's Fund |
| CONFIRMED AND AGREED:   |
| By: [name etc. of Outcomes Funder focal point]                |
| Date:   |

## ANNEX A Programme Proposal

[This annex will follow the same outline as the Programme Document with information for each programme as available at the Standard Outcomes Funding Agreement signature stage. This information will be complemented and tailored for each Grantee in the Programme Document annexed to the Grant Confirmation Letter, once Grantees have been selected.