

Trust fund for the purpose of facilitating the preparation of submissions to the Commission on the Limits of the Continental Shelf for developing States, in particular the least developed countries and small island developing States, and compliance with article 76 of the United Nations Convention on the Law of the Sea

Methods of payment from the Trust Fund

Two methods are now available for the disbursement of financial assistance from the trust fund for the purpose of facilitating the preparation of submissions to the Commission on the Limits of the Continental Shelf for developing States, in particular the least developed countries and small island developing States, and compliance with article 76 of the United Nations Convention on the Law of the Sea (Trust Fund):

(i) Reimbursement

Under this method of payment a State, whose application for financial assistance has been approved, directly pays for the goods and services approved and is subsequently refunded upon the production of all necessary invoices, proofs of payment and a final statement of account providing details of the expenditures made from the approved amounts, to be certified by an auditor acceptable to the United Nations.

(ii) Grant

Under this method of payment a State, whose application for financial assistance from the Trust Fund has been approved, receives the amount of financial assistance approved following the signature of a Grant Agreement with the United Nations, before the goods and services covered by the approval are purchased. Then, within two months of the completion of the approved project, the grantee shall submit invoices, proofs of payment, a comprehensive narrative report on the project activities and a final statement of account providing details of the expenditures made from the approved amounts, to be certified by an auditor acceptable to the United Nations (for further details see below under (iv) Final Statement of Accounts and (v) Reporting requirements, maintenance of records and inspection).

All applications for financial assistance **must clearly specify** whether the Applicant State is seeking assistance by way of **reimbursement** or **grant**.

In both cases, funds will only be disbursed to the State which applied for assistance from the Trust Fund.

In accordance with the terms of reference, guidelines and rules of the Trust Fund, (TOR) as set out in to General Assembly resolution 55/7 (Annex II), as amended by General Assembly resolution 58/240 (Annex), all applications for assistance shall be approved by the Division for Ocean Affairs and the Law of the Sea of the Office of Legal Affairs (DOALOS/OLA) on the basis of the recommendation and advice of a Panel of Experts.

Information required by DOALOS/OLA

All applications for financial assistance shall include the following information:

- (i) Banking details as to where the transfer should be made:

Bank Name:
Bank Address:
Account Title:
Account Number:
SWIFT or BIC Number:
Wire Instructions:
Signatories (2).

- (ii) Details as to which representative of the Applicant State, at either the Permanent Mission to the United Nations or other office for States that do not have a Permanent Mission to the United Nations, should receive any notices/correspondence concerning the application:

Name:
Title:
Address:
Telephone:
Facsimile.

Disbursement

States are encouraged to submit their applications well in advance of any proposed project.

It is very important that the amount of financial assistance requested, with an itemized statement of the estimated costs for which assistance is requested, is included in the application. The amount should be in the currency of the Applicant State. The exact sum of the grant will be subject to verification by the relevant offices of the Organization. The exchange rates to be applied will also be determined by the relevant offices of the Organization.

While the Bank utilized by the United Nations for the transfer of the funds, JP Morgan Chase Bank, New York, does not deduct any bank charges on its outgoing payments, the grantee's bank or intermediary bank(s) may levy service fees on incoming remittances. Such deductions, if any, are beyond the control of the United Nations. The United Nations does not reimburse such deductions.

Disclosure

A coastal State that has received assistance from the Trust Fund shall disclose this information, including the involvement of any Commission members, in its submission to the Commission.

Further details concerning the disbursement of financial assistance by way of grants

Grant Agreement

Once a recommendation to approve a grant application has been made by the Panel and endorsed by DOALOS, then a Grant Agreement must be signed by the Applicant State and the United Nations.

(i) Signatories

The Grant Agreement will be signed on behalf of the United Nations by its Controller. It will then be counter-signed by the Permanent Representative of the Applicant State, or other authority authorized to this effect.

(ii) Content

The Grant Agreement is drafted in conformity with the United Nations Financial Rules and Regulations as well as the practice of the United Nations and is not subject to amendments. Its standard language ensures that all States that benefit from the Trust Fund are subject to uniform conditions with regard to the financial assistance they receive.

(iii) Duration

All grant applications should clearly state the expected duration of the activities for which financial assistance is sought.

(iv) Final Statement of Accounts

Paragraph 18 of the TOR provides that a State receiving assistance from the Trust Fund “shall supply a final statement of account providing details of the expenditures made from the approved amounts, to be certified by an auditor acceptable to the United Nations.” A Financial Reporting Form will be attached as an annex to the Grant Agreement to assist in the fulfillment of this obligation.

The Grant Agreement will state that this Financial Reporting Form should be completed to show “all grant funds received from DOALOS/OLA and all interest earned thereon, an itemized list of all expenditures and accrued commitments with specific reference to individual invoices, purchase orders, payroll records, or other official records of disbursement.” This Form should be signed by the Auditor General of the grantee or other authority acting on his behalf.

(v) Reporting requirements, maintenance of records and inspection

The Grant Agreement provides that the above-mentioned Financial Reporting Form and a comprehensive narrative report on the project activities should be provided within two months of completion of the project activities or the termination of the Grant Agreement.

The Grant Agreement provides as follows:

“The Grantee shall submit to DOALOS/OLA the following reports within two months of the completion of the Project or termination of this Agreement: (i) a comprehensive narrative report on the Project activities; and (ii) a financial report in the form attached [...], showing all grant funds received from DOALOS/OLA and all interest earned thereon, an itemized list of all

expenditures and accrued commitments with specific reference to individual invoices, purchase orders, payroll records, or other official records of disbursement.

The Grantee shall furnish DOALOS/OLA with such relevant reports, accounts, records, statements, documents and other information as it may request concerning the Project, its execution or its continued feasibility and soundness, or concerning the compliance by the Grantee with its responsibilities under this Agreement.

The Grantee shall, subsequent to the completion of the Project, make available to DOALOS/OLA at its request information as to benefits derived from and activities undertaken to further the purposes of that Project, including information necessary or appropriate to its evaluation or to evaluation of DOALOS/OLA's assistance, and shall consult with and permit observation of the Project's implementation by DOALOS/OLA through its authorized representatives for this purpose."

(vi) Procurement

The Grant Agreement further provides as follows:

"[t]he Grantee shall conduct all procurement transactions in a manner that provides maximum cost effectiveness in the acquisition of goods and services required for the Project activities."

For this purpose applications should be accompanied by several quotations from vendors/consultants contacted by the applicant State, with an indication of which quotation was accepted and why it was selected.